

CITY OF SAN DIEGO
CONSENT TO ASSIGNMENT OF LEASE

THIS CONSENT TO ASSIGNMENT ("Consent") is made by THE CITY OF SAN DIEGO, a California municipal corporation ("City"), to be effective as of the later date that this Consent is executed by City and approved by the San Diego City Attorney ("Effective Date").

RECITALS

- A. WHEREAS, City and Pyramid Enterprises, Inc. d/b/a Rocky Mountain Recreation Co., a California corporation ("Concessionaire"), entered into that certain Concession Agreement, dated as of February 20, 2018, filed in the Office of the City Clerk, San Diego, California, as Document No. 00-20895 (the "Concession Agreement") for certain premises as defined in the Concession Agreement ("Premises").
- B. WHEREAS, Advenco LLC, a Delaware corporation ("Assignee") and Concessionaire entered into an Assignment and Assumption Agreement (the "Assignment"), dated April 30, 2021 and attached hereto as Exhibit "A," which assigns all of Concessionaire's rights, title and interest in, to and under the Concession Agreement, to Assignee.
- C. WHEREAS, Section 4.1 of the Concession Agreement requires that City consent to the assignment of any portion of Concessionaire's right, title or interest in the Concession Agreement.
- D. WHEREAS, Section 4.2 of the Concession Agreement requires, as a condition for approval of any assignment of the Concession Agreement, that Concessionaire "pay to City two percent (2%) of the gross amount paid for the leasehold in connection with an approved Assignment of the Agreement."

NOW, THEREFORE, City provides its consent to the assignment of the Concession Agreement from Concessionaire to Assignee, subject to the following:

- 1. In reliance upon Assignee's assumption of all obligations as Concessionaire under the Lease arising on and after the Effective Date, City hereby consents to Concessionaire's request to assign all of its right, title and interest in and to the Concession Agreement to Assignee. By giving this Consent, City is merely consenting to the Assignment;
- 2. City does not release, discharge or modify Concessionaire's obligations to City under the Concessionaire Agreement. As set forth in applicable law, Concessionaire's obligations under the Concession Agreement shall survive said Assignment and shall continue through the termination dates of the Concession Agreement, as set forth therein;
- 3. In accordance with Section 4.2 of the Concession Agreement, Concessionaire shall pay to City additional consideration in the amount of \$1,300.00, prior to the effectiveness of this Consent;

4. Concessionaire agrees to pay City any applicable processing and/or administrative fee(s) for processing this Consent; and
5. City shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the Assignment. Further, Concessionaire agrees to protect, defend, indemnify, and hold City, its elected officials, officers, representatives, agents, and employees harmless from and against any claim for any brokerage commission or finder's fee related to the consummation of this Consent, and from and against any cost or expense (including without limitation attorney fees) incurred by City in resisting any claim for any such brokerage commission or finder's fee.

IN WITNESS WHEREOF, this Consent is executed by City acting by and through its Mayor, or his designee.

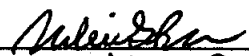
THE CITY OF SAN DIEGO, a California
municipal corporation

Date: 7-29-21

BY: 
Penny Maus, Director
Real Estate Assets Department

Approved as to form this 5th day
of August 2021.

MARA W. ELLIOT, City Attorney

BY: 
Name: Julie Gough Inman
Title: Deputy City Attorney

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**") is made and entered into as of April 30, 2021 (the "**Effective Date**"), by and between Pyramid Enterprises, Inc., a California corporation ("**Assignor**") and Advenco LLC, a Delaware limited liability company ("**Assignee**"). Each of Assignor and Assignee may be referred to in this Agreement individually as a "**Party**" and, collectively, as the "**Parties**".

RECITALS

WHEREAS, Assignor, Assignee, Chet Roberts, and Traci Roberts are parties to that certain Asset Purchase Agreement dated as of March 25, 2021 (the "**Purchase Agreement**"). Capitalized terms used but not defined herein have the respective meanings for such terms as defined in the Purchase Agreement; and

WHEREAS, pursuant to the Purchase Agreement, Assignor agreed to sell, assign, transfer, convey and deliver all the rights and interests in the Assigned Contracts and any Purchased Assets not conveyed by any other Transaction Document to Assignee, and Assignee agreed to accept same and to assume the Assumed Liabilities.

NOW, THEREFORE, for and in consideration of the above premises, the mutual covenants contained in this Agreement and in the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Assignment and Assumption.** Effective as of the Effective Date, Assignor hereby sells, assigns, transfers, conveys and delivers to Assignee all of Assignor's right, title, and interest in and to all of the Assigned Contracts and any Purchased Assets not conveyed by any other Transaction Document. Assignee hereby assumes, other than the Excluded Liabilities described in Section 2.2 of the Purchase Agreement, all Assumed Liabilities.

2. **Reference to the Purchase Agreement.** The provisions of this Agreement are subject in all respects to the terms of the Purchase Agreement, and all of the representations, warranties, covenants and agreements contained therein shall survive the execution and delivery of this Agreement in accordance with the terms thereof. Nothing contained in this Agreement shall be deemed or construed to alter, modify, add to or waive any of the rights, obligations, terms, covenants, conditions, or other provisions contained in the Purchase Agreement.

3. **Further Actions.** Each Party will, at its own expense, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, assurances and such other action as such other Party may reasonably request to more effectively consummate the transactions contemplated by this Agreement.

4. **Governing Law.** This Agreement shall be governed by and construed in accordance with the applicable laws of the State of Kansas without giving effect to any choice or conflicts of law provision or rule thereof that would result in the application of the applicable

laws of any other jurisdiction other than the applicable laws of the United States of America, where applicable.

5. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. The facsimile signature of any Party to this Agreement or a PDF copy of the signature of any Party delivered by electronic mail for purposes of execution or otherwise, is to be considered to have the same binding effect as the delivery of an original signature on an original contract.

6. Amendment; Waiver. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any Party of any provision of this Agreement or any default or breach of covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party against whom the waiver is to be effective nor shall such waiver be deemed to extend to any prior or subsequent default or breach of covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

7. Binding Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and assigns.

[Remainder of this page is intentionally left blank. Signatures follow on next page.]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be effective as of the Effective Date.

ASSIGNOR:

PYRAMID ENTERPRISES, INC.

By:  DocuSigned by:
254782200081400
Name: Chet Roberts
Its: President

ASSIGNEE:

ADVENCO LLC

By:  DocuSigned by:
F3DAGC040508458
Name: Peter Nolan
Its: Authorized Signatory

7/27/2021



Attachment A

Environmental Determination	
Environmental Planner	Tara Ash-Reynolds (tashreynolds@saniego.gov)
Environmental Determination	This activity is not a "Project" pursuant to CEQA Guidelines Section 15060(c)(2) as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. Thus, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(2).
Date Environmental Determination made	07/27/2021

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

ADVENCO LLC,

PYRAMID ENTERPRISES, INC.,

And

CHESTER ROBERTS

TRACI ROBERTS

DATED AS OF

March 25, 2021

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of March 25, 2021, is made and entered into by and among Advenco LLC, a Delaware limited liability company ("Purchaser"), Pyramid Enterprises, Inc., a California corporation ("Seller"), Chester Roberts, an individual residing in the State of California ("C. Roberts"), and Traci Roberts, an individual residing in the State of California ("T. Roberts").

RECITALS

WHEREAS, Seller is engaged in the business of providing boat inspections and management and concession services to campgrounds, marinas, water recreation facilities, day use areas, RV sites and other recreation sites for federal, state, and local agencies (the "Business");

WHEREAS, Seller desires to sell, and Purchaser desires to purchase, substantially all of Seller's assets used or useful in the Business;

WHEREAS, C. Roberts owns all of the issued and outstanding capital stock (or other ownership interests) of the Seller. T. Roberts (i) is the spouse of C. Roberts, (ii) is engaged in the Business on a day to day basis, and (iii) will receive substantial benefits in connection with the consummation of the transactions contemplated by this Agreement. For administrative convenience, C. Roberts and T. Roberts are referred to herein collectively as the "Shareholder". For the avoidance of doubt, however, the parties acknowledge that C. Roberts is the sole shareholder of Seller; and

WHEREAS, as used herein, capitalized terms have the meanings ascribed to such terms in **Exhibit A** attached hereto or as elsewhere defined in this Agreement.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the premises and mutual representations, warranties and covenants herein contained, and other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

Article 1

Purchase and Sale of Assets; Closing

1.1 Sale and Purchase of Assets. Upon the terms and subject to the conditions contained herein, at the Closing, Seller shall sell, transfer, assign, convey and deliver to Purchaser, and Purchaser shall purchase, accept and acquire from Seller, good and marketable title, free and clear from all Liens (other than Permitted Liens), to all of the assets of Seller, other than the Excluded Assets, including but not limited to the following (all of the assets and rights to be sold and purchased hereunder are referred to herein collectively as the "Purchased Assets"):

(a) Leased Premises. All right, title and interest in the leasehold estates of Seller described on **Schedule 1.1(a)** hereto (the "Leased Premises").

(b) Fixed Assets. All of Seller's furniture, fixtures, leasehold improvements, equipment, supplies, computer hardware, printers, phone systems, other office equipment, vehicles, boats, golf carts, rental equipment, fuel pumps, fuel equipment, and all other tangible assets of Seller, wherever located (the "Fixed Assets"), including but not limited to those Fixed Assets set forth on **Schedule 1.1(b)** hereto, segregated by whether such Fixed Assets are owned or leased.

(c) Inventory. All of Seller's inventory of finished goods, work-in-process, raw materials, supply inventories, packaging and consuming materials and other inventories, including without limitation, concessions inventory, all merchandise intended for sale or resale, all food and beverages intended for sale or resale, bait and tackle inventory, sundry items, maintenance and cleaning supplies, gasoline, firewood, cigarettes, ice and other expensed supplies and similar items (the "Inventory"), to the extent that such Inventories have not been sold by Seller in the Ordinary Course of Business before the Closing.

(d) Accounts Receivable. All of Seller's accounts receivable from customers and others, and all rights to payment for goods sold, services provided, including but not limited to those which are not evidenced by instruments or chattel paper, whether or not they have been earned by performance or have been written off or reserved against as a bad debt or doubtful account in any Financial Statement (the "Accounts Receivable"), including but not limited to those Accounts Receivable set forth on **Schedule 1.1(d)** hereto, to the extent that such Accounts Receivable have not been collected by Seller in the Ordinary Course of Business prior to Closing.

(e) Prepaid Expenses. All right, title and interest of Seller in and to the prepaid expenses and deposits relating to the Business (the "Prepaid Expenses"), including but not limited to those Prepaid Expenses set forth on **Schedule 1.1(e)** hereto.

(f) Assigned Contracts. All right, title, and interest of Seller under the Contracts (including without limitation leases of personal property) set forth on **Schedule 1.1(f)** hereto (the "Assigned Contracts").

(g) Seller's Name. All of Seller's right, title and interest in, and all goodwill associated with, the corporate name "Pyramid Enterprises, Inc." and the trade name "Rocky Mountain Recreation Company" and any names derived from or bearing a resemblance thereto, and any other trademarks, trade names, service marks or other trade rights used or useful in the Business, including but not limited to those set forth on **Schedule 1.1(g)** hereto (collectively, the "Trade Rights").

(h) Intellectual Property; Other Intangible Assets. All of Seller's rights with respect to all mailing lists, all customer lists, all prospect lists, all web addresses, web sites and domain names, rights in social media accounts and social media pages, web site content, all records pertaining to e-commerce transactions, all advertising materials used in the Business, all logos used in the Business, all telephone numbers used in the Business (other than the personal cell phone numbers of the Shareholder) and all intellectual property used or useful in connection with or relating to the Business or under development, including without limitation all copyrights, patents, trade secrets, proprietary and technical information, research and development, processes, formulas, know-how, strategic plans, and other trade rights, together with all rights to, and all applications, registrations, licenses and franchises for, any of the foregoing, in any form or media (the "Intellectual Property"), and any other intangible assets of Seller used in the Business as well as the goodwill associated with the Business including but not limited to those Intellectual Properties set forth on **Schedule 1.1(h)** hereto.

(i) Computer Software. All right, title and interest of Seller in any computer software used by Seller in the operation of any computer hardware or other equipment transferred to Purchaser in accordance herewith, all of Seller's rights under any licenses related to Seller's use, at any time, of such computer equipment, hardware or software, and all leases pursuant to which Seller leases any computer software, in any form or media, together with all documentation and

manuals obtained in connection therewith (collectively, the "**Software**"), including but not limited to the Software set forth on **Schedule 1.1(i)** hereto.

(j) **Permits.** All right, title and interest of Seller in, to and under all Permits (as defined below), including but not limited to those listed on **Schedule 1.1(j)** hereto.

(k) **Records.** All of Seller's books, records, files and papers pertaining to the Business or the Purchased Assets which are maintained in the Ordinary Course of Business and are required, necessary or advisable in order for Purchaser to conduct the Business from and after the Closing in the manner in which it is presently being conducted, including without limitation the records of all, Bids (as defined below), and prior Bids, whether awarded or not (the "**Records**"); provided, however, Seller shall be entitled to retain the originals of Records necessary or desirable to the continuing business and activities of Seller following Closing and shall provide Purchaser copies thereof.

(l) **Bids.** All bids quoted or proposals submitted before the Closing Date, including, without limitation, those set forth on **Schedule 1.1(l)** (the "**Bids**"), and the right to perform all services with respect thereto.

(m) **Cash.** All operating cash and coin funds in the on-site cash registers (or otherwise located at the operating facilities) of Seller ("**Cash-on-Hand**");

(n) **Funds.** The Fishing Funds (as defined below), including without limitation, those set forth on **Schedule 1.1(n)**.

(o) **Bookings.** All right, title, and interests of Seller in the contracts, reservations and other arrangements for campgrounds, marinas, water recreation facilities, day use areas, RV sites and/or other recreation facilities or services to be provided or supplied by Seller (the "**Bookings**").

(p) **Other Property.** To the extent not included in any of the foregoing or excluded by **Section 1.2**, (i) all other or additional privileges, rights, claims (excluding claims of Seller or Shareholder against insurer under any insurance policies, other than claims with respect to property damage of the Purchased Assets and any counterclaims related to the two lawsuits set forth in **Section 12.2(l)**), interests, properties and assets of Seller, of every kind and description and wherever located, that are used or intended for use in connection with, or that are necessary or advisable to the continued conduct of the Business as presently being conducted, (ii) any assets included in the determination of Closing Working Capital or reflected on the Interim Balance Sheet, other than any assets used, consumed or disposed of in the Ordinary Course of Business, (iii) any rent abatement assets, (iv) any and all maintenance accounts owned and controlled by Seller on behalf of third parties or the right to use and control the funds of any maintenance accounts that Seller contributes to but are maintained by a third party (the "**Maintenance Fund Accounts**"), and (v) all other assets (other than the Excluded Assets) that are owned, leased or used by Seller and used or held for use in, or otherwise relating to the Business, whether or not scheduled or described herein.

1.2 Excluded Assets. Notwithstanding **Section 1.1** hereof, the Purchased Assets will not include the following (the "**Excluded Assets**"):

(a) the assets listed on **Schedule 1.2** hereto;

- (b) the rights of Seller under all Contracts not included within the definitions of Assigned Contracts or Leased Premises;
- (c) Seller's cash, cash equivalents and other items on deposit in the accounts of Seller, except for Cash-on-Hand and cash held in any reserve accounts, the Fishing Funds, or the Maintenance Fund Accounts;
- (d) the Seller Plans;
- (e) all rights to refunds of Taxes related to the Business for periods ending prior to the Closing Date;
- (f) any amounts due to Seller from Seller's stockholders or Affiliates;
- (g) any amounts forgiven pursuant to a PPP Loan Forgiveness Application completed prior to the Closing or refund related to PPP Loans made prior to the Closing;
- (h) all Insurance Policies (including policies with terms that extend beyond the Closing), and all related premiums, refunds, and prepaid insurance relating to the periods prior to the Closing Date; and
- (i) the corporate seals, Articles of Incorporation, minute books, tax returns or other records having to do with the corporate organization of Seller.

1.3 Closing. Subject to **Article 10**, the consummation of the Contemplated Transactions (the "**Closing**") will take place remotely via the exchange of documents and signatures on the third Business Day after the date on which the last applicable condition in **Articles 7 and 8** has been satisfied or waived (other than conditions to be satisfied on the Closing Date), or at such other date as the parties may mutually designate in writing. All transfers of the Purchased Assets will be deemed to occur as of 12:01 a.m. on the Closing Date, and until such time Seller will retain the ownership and possession of, and bear all risk of loss or damage to, the Purchased Assets and will remain liable for all liabilities.

1.4 Pro-Ration. All rents, utilities, commissions and the other costs set forth on **Schedule 1.4** hereto, relating to the Purchased Assets will be pro-rated between Purchaser and Seller as of the Closing Date, it being understood that such pro-ration will not be duplicative with the Closing Working Capital adjustment set forth in **Section 3.4**.

1.5 Consents of Third Parties.

(a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to sell, assign, transfer, convey, deliver or assume any intended Assigned Contract, Permit, or any claim or right or any benefit arising thereunder or resulting therefrom (each, an "**Assigned Right**") if such attempted sale, assignment, transfer, conveyance or delivery, without the consent, approval or authorization of a Governmental Authority or other third party (collectively, the "**Required Consents**"), would (a) constitute a breach or other contravention of such intended Assigned Right, (b) be void or voidable or (c) in any way adversely affect the rights of the Purchaser thereunder, unless and until each Required Consent is obtained; provided, however, that the foregoing shall not limit or affect the representations and warranties of the Seller or Shareholder in **Article 4**. Seller and Shareholder, at their sole cost and expense, shall take all reasonable steps to obtain as promptly as practicable all Required Consents necessary for Seller to transfer the Assigned Rights to Purchaser.

(b) If any Required Consent is not obtained prior to the Closing and the Closing nonetheless occurs, the Seller and Shareholder shall use their commercially reasonable efforts to obtain such Required Consent as promptly as practicable thereafter, and until such Required Consent is obtained each of the Seller and Shareholder shall cooperate with the Purchaser in a mutually agreeable arrangement under which the Purchaser would obtain the benefits and bear the related obligations under any Assigned Right that is subject to the provisions of this **Section 1.5** in accordance with this Agreement, including by means of any sub-contracting, sub licensing or sub leasing arrangement with the Purchaser, or under which the Seller or Shareholder would enforce (at the direction and expense of the Purchaser) for the benefit of the Purchaser, with the Purchaser bearing Seller's related obligations, any and all rights of Seller against a third party thereto (including, if applicable, the right to elect to terminate such Assigned Right in accordance with the terms thereof upon the Purchaser's written request and the right to pursue all actions necessary to enforce any confidentiality, non-disclosure, non-competition, non-solicitation or other similar obligations as and to the extent requested by the Purchaser (in which case the Purchaser will reimburse the Seller for all reasonable and documented out-of-pocket fees and expenses actually incurred by the Seller in connection with the Seller's taking of any such enforcement actions) with respect to any Assigned Right). Seller shall promptly remit to the Purchaser when received all monies received by the Seller in respect of any such Assigned Right or any claim or right or any benefit arising thereunder or resulting therefrom. Upon receipt of any Required Consent, the Seller shall promptly sell, assign, transfer, convey and deliver such Assigned Right to the Purchaser for no additional consideration. In addition, following the Closing, the parties hereto shall execute and deliver, or cause to be executed and delivered, such documents and other instruments and shall take, or cause to be taken, such further actions as may be reasonably required to carry out this **Section 1.5** and give effect to the transactions contemplated by this **Section 1.5**.

(c) Subject to the terms and conditions of this Agreement and the Escrow Agreement, if any Required Consent is obtained after the Closing that relates to any of the Assigned Contracts set forth on **Exhibit G**, and upon receipt such Assigned Contract is successfully transferred in full to Purchaser, then Seller and Purchaser shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to release to Seller any funds allocated to such Assigned Contract pursuant to **Exhibit G** in the Contract Escrow Account. Within ten (10) Business Days following the date which is eight (8) months after the Closing Date, Seller and Purchaser shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to release to Purchaser any funds remaining in the Contract Escrow Account.

(d) If (i) Seller breaches **Section 1.5(b)**, (ii) any counterparty to an Assigned Contract (A) refuses to provide a Required Consent, (B) refuses to allow Purchaser to receive benefits under the Assigned Contract, or (C) terminates the Assigned Contract prior to providing a Required Consent, or (iii) the Assigned Contract expires without a renewal acceptable to Purchaser, in each case with respect to any Assigned Contract set forth on **Exhibit G**, then (I) such Assigned Contract shall not be eligible for payment pursuant to **Section 1.5(c)**, and (II) Seller and Purchaser shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to release to Purchaser any funds allocated to such Assigned Contract pursuant to **Exhibit G** in the Contract Escrow Account.

Article 2 Liabilities

2.1 **Assumption of Liabilities.** Commencing from and after the Closing Date, Purchaser will assume and agree to pay, perform and discharge, promptly when due, solely the following liabilities, obligations, and duties of Seller (the "**Assumed Liabilities**"):

(a) the trade accounts payable of Seller that have arisen in the Ordinary Course of Business, which exist at the Closing Date and would be on a Financial Statement prepared by Seller prepared as of the Closing Date consistent with historical practices of Seller consistently applied and that remain unpaid but not delinquent as of the Closing Date, but only to the extent that such trade accounts payables are reflected as a current liability in the calculation of Closing Working Capital (the "Accounts Payable");

(b) duties, liabilities and obligations under the Assigned Contracts arising after the Closing Date; and

(c) performance of obligations underlying any Advance Deposits and Bookings.

(d) Payment obligations to purchase fish or to third parties related to funds collected on behalf of a third party and retained (the "Fishing Funds") by Seller prior to the Closing Date resulting from the sale of all permits and licenses by Seller, including but not limited to, fishing permits, fishing licenses, and fishing funds (the "Fishing Funds Liability"), but such Fishing Funds Liability shall not exceed the Fishing Funds.

(e) Any US Forest Service fee, that in accordance with GAAP, would be accrued based on adjusted gross revenue collected less any fee offsets permitted by the applicable US Forest Service contract through the Closing Date, but in no event shall Purchaser assume any fee owed to the US Forest Service for calendar year 2020 (the "Forest Service Fee Liability").

2.2 Liabilities Not Assumed by Purchaser. In no event, however, will Purchaser assume or incur any liability or obligation under **Section 2.1** or otherwise in respect of any liabilities other than the Assumed Liabilities, including but not limited to the following (the "Excluded Liabilities"):

(a) any lines of credit, loans payable, notes payable or other debt of Seller;

(b) except as described in **Section 2.1(a)**, any accrued expenses or other current liabilities of Seller;

(c) any liability or obligation under any PPP Loan or arising with respect to the CARES Act;

(d) any liability under any capital leases;

(e) any liabilities or obligations with respect to (i) the employees of Seller incurred on, prior to or as of the Closing Date or (ii) the Seller Plans;

(f) any Taxes, including any deferred Taxes (i) payable with respect to the Business or the Purchased Assets for any period prior to the Closing Date or (ii) incident to or arising solely as a consequence of the consummation by Seller of the Contemplated Transactions;

(g) any liability or obligation under or in connection with the Excluded Assets;

(h) any liability or obligation of Seller arising or incurred in connection with the negotiation, preparation, execution and performance of the Contemplated Transactions, including but not limited to all fees and expenses of Seller's counsel, accountants and experts, and (subject to **Section 11.2** hereof) sales taxes applicable to the sale of the Purchased Assets pursuant hereto;

- (i) any liability or obligation of Seller with respect to any pending or Threatened litigation, regardless of whether such litigation has been disclosed on any Schedule hereto;
- (j) any liability or obligation arising out of events occurring on or prior to the Closing Date, including without limitation those arising from Seller's conduct of the Business or Seller's ownership of the Purchased Assets on or prior to the Closing Date;
- (k) any liability under any Assigned Contract that arises after Closing but that arises out of or relates to any Breach that occurred prior to Closing;
- (l) any liability under any Contract not assumed by Purchaser, including any liability arising out of or relating to Seller's credit facilities or any security interest related thereto;
- (m) any Environmental, Health and Safety Liabilities arising out of or relating to the operation of the Business or Seller's leasing, ownership or operation of any real property;
- (n) any liability (or amounts due or loans payable) of Seller to Seller's stockholders or Affiliates;
- (o) any liability or obligation arising under any Insurance Policies;
- (p) any liability to indemnify, reimburse or advance amounts to any officer, manager, employee or agent of Seller;
- (q) any liability to distribute to any of Seller's stockholders or otherwise apply all or any part of the consideration received hereunder;
- (r) any liability arising out of any legal proceeding relating to the Business commenced after Closing and arising out of or relating to any occurrence or event happening prior to the Closing;
- (s) any liability arising out of or resulting from Seller's compliance or non-compliance with any legal requirement or order of any Governmental Authority;
- (t) any liability of Seller under this Agreement or any other document executed in connection with the Contemplated Transactions; and
- (u) any liability of Seller based upon Seller's acts or omissions occurring after Closing.

Article 3

Consideration for Transfer

3.1 **Purchase Price.** The purchase price to be paid to Seller for the Purchased Assets will be Eight Million Five Hundred Thousand Dollars (\$8,500,000), subject to reduction or increase as provided in Section 3.2 and Section 3.4 hereof (the "**Purchase Price**").

3.2 **Payment of Purchase Price.**

(a) **Estimated Closing Statement.** No later than three (3) Business Days prior to the Closing Date, Seller shall prepare or cause to be prepared and delivered to Purchaser a statement (the "**Estimated Closing Statement**") certified by an authorized officer of Seller setting forth Seller's good faith estimate of (i) the Closing Working Capital (the "**Estimated Closing Working**

Capital”), along with reasonably detailed schedules supporting the determination of such calculation (including each component item of the Estimated Closing Working Capital), (ii) an amount equal to the Closing Indebtedness to the applicable debt holder(s) (the “**Estimated Closing Indebtedness**”), (iii) the Closing Advance Deposits (including an estimate of the applicable Collection Expenses) (the “**Estimated Closing Advance Deposits**”), (iv) the Closing Forest Service Fee Liability, along with reasonably detailed schedules identifying the amount of the Forest Service Fee Liability (the “**Estimated Closing Forest Service Fee Liability**”), (v) the Closing Growth CapEx (the “**Estimated Closing Growth CapEx**”), together with a reasonably detailed schedule identifying such purchases and applicable supporting documentation, (vi) the Closing Contract Escrow Amount (the “**Estimated Closing Contract Escrow Amount**”), together with a reasonably detailed schedule identifying the components of such amount and applicable supporting documentation, and (vii) the calculation of the Purchase Price payable at Closing in accordance with Section 3.2(b) as if such Estimated Closing Working Capital, Estimated Closing Indebtedness, Estimated Closing Advance Deposits, Estimated Closing Forest Service Fee Liability, Estimated Closing Growth CapEx and Estimated Closing Contract Escrow Amount were the actual amount of Closing Working Capital, Closing Indebtedness, Closing Advance Deposits, Closing Forest Service Fee Liability, Closing Growth CapEx and Closing Contract Escrow Amount (the Purchase Price as so estimated, the “**Estimated Purchase Price**”).

(b) **Closing Payment.** At the Closing, Purchaser shall deliver to Seller by wire transfer or other immediately available funds to an account or accounts specified by Seller by notice thereof to Purchaser an amount equal to (i) the Purchase Price, (ii) minus the amounts to be paid concurrently with the Closing to the holder(s) of the Estimated Closing Indebtedness (if any) in satisfaction thereof, (iii) plus or minus the Estimated Working Capital Adjustment Amount, (iv) minus the Estimated Closing Advance Deposits, (v) minus the Estimated Closing Forest Service Fee Liability, (vi) minus an amount equal to \$150,000 related to the obligations of Seller to build a new marina store under that certain Concessions Contract for Silverwood Lake Marina Concession Complex by and between Seller and the State of California dated October 8, 1997, (vii) minus an amount equal to \$850,000 (the “**Working Capital and Indemnification Escrow Amount**”) for deposit into an escrow account (the “**Working Capital and Indemnification Escrow Account**”) established pursuant to the terms of the Escrow Agreement to support Seller’s payment obligations pursuant to and in accordance with Section 3.4 and Seller’s indemnification obligations under Article 12, (viii) minus an amount equal to \$1,002,000 (the “**PPP Loan Escrow Amount**”) for deposit into an escrow account (the “**PPP Loan Escrow Account**”) established pursuant to the terms of the Escrow Agreement to support Seller’s payment obligations pursuant to the PPP Loans, (ix) plus the Estimated Closing Growth CapEx, (x) minus an amount equal to \$35,000 (the “**Liquor License Escrow Amount**”) for deposit into an escrow account (the “**Liquor License Escrow Account**”) established pursuant to the terms of the Escrow Agreement to support Seller’s payment obligations pursuant to the Liquor Licenses, and (x) minus the Estimated Closing Contract Escrow Amount for deposit into an escrow account (the “**Contract Escrow Account**”) established pursuant to the terms of the Escrow Agreement (collectively, the “**Closing Payment**”).

3.3 **Allocation of Purchase Price.** The Purchase Price will be allocated among the Purchased Assets as provided on Schedule 3.3 hereto. Purchaser and Seller agree that they shall each report the allocation of the Purchase Price in a manner entirely consistent with such allocation in all tax returns and forms (including, without limitation, Form 8594 which is attached to Schedule 3.3 and which shall be filed with their respective federal income tax returns for the taxable year in which the Closing Date occurs) and in the course of any tax audit, tax review or tax litigation relating thereto.

3.4 Purchase Price Adjustment.

(a) Proposed Closing Statement. Not later than ninety (90) days following the Closing Date, Purchaser shall prepare and deliver to Seller a statement (the "**Proposed Closing Statement**") setting forth Purchaser's good faith determination of (i) the Closing Working Capital, determined in a manner consistent with this **Section 3.4**, along with reasonably detailed schedules supporting the determination of such calculation (including each component item of the Closing Working Capital), (ii) the Closing Indebtedness, (iii) the Closing Advance Deposits, (iv) the Closing Forest Service Fee Liability, (v) the Closing Growth CapEx, (vi) the Closing Contract Escrow Amount, and (vii) the calculation of the Purchase Price in accordance with **Section 3.2(b)** resulting from such actual Closing Working Capital, Closing Indebtedness, Closing Advance Deposits, Closing Forest Service Fee Liability, Closing Growth CapEx and Closing Contract Escrow Amount. The Estimated Closing Statement, the Proposed Closing Statement and the Final Closing Statement shall each be prepared in accordance with the Accounting Policies, the Sample Working Capital Calculation and the definitions herein, as applicable, except that in calculating the component line items of such statements, no effect shall be given to the Contemplated Transactions.

(b) Dispute Procedures.

(i) In the event that Seller disputes any item, calculation or amount contained in the Proposed Closing Statement, Seller shall notify Purchaser in writing of its objections, in reasonable detail and including the calculation of the alternative amount for each item of disagreement within thirty (30) days after receipt of the Proposed Closing Statement (an "**Objection Notice**").

(ii) During the thirty (30) days immediately following the delivery of any Objection Notice, Purchaser and Seller shall seek in good faith to resolve any differences that they may have with respect to any matter specified in such Objection Notice. During such period, Purchaser, Seller and their representatives shall each have reasonable access to the other party's working papers, trial balances and similar materials (subject to applicable confidentiality restrictions and execution of customary access letters) prepared in connection with the other party's preparation of the Proposed Closing Statement and the Objection Notice, as the case may be. The matters set forth in any written resolution executed by Purchaser and Seller shall be final and binding on the parties hereto on the date of such written resolution.

(iii) If, at the end of the thirty (30) day period referred to in **Section 3.4(b)(ii)**, Purchaser and Seller have not been able to resolve in writing, all differences that they may have with respect to any matter specified in such Objection Notice, Purchaser and Seller shall submit to the Accounting Firm for review and resolution solely those matters specified in such Objection Notice that remain in dispute (and no other matter). The Accounting Firm shall determine any such disputed matters based solely on the provisions of this Agreement and the submissions of Purchaser and Seller and shall not conduct an independent review, whether of Seller's financial statements or otherwise. Purchaser and Seller shall each provide the other with any position papers or back-up documentation that such party submitted or presented to the Accounting Firm in connection with such dispute. Purchaser and Seller shall instruct, and use their commercially reasonable efforts to cause, the Accounting Firm to furnish its written determination to Purchaser and Seller as soon as practicable after the items in dispute have been referred to the Accounting Firm and in any event within thirty (30) days after such referral. The Accounting Firm shall reach a final and binding resolution of such matters, which final resolution shall not be subject to

collateral attack, review or appeal for any reason (other than fraud or manifest error) and shall be (A) in writing and signed by the Accounting Firm and set forth, in reasonable detail, the Accounting Firm's determination with respect to each of the items in dispute, with supporting calculations; (B) within the range of the amount of each item in dispute contested by Purchaser and Seller (i.e., in each case, no lower than the lowest amount proposed by any such party and no higher than the highest amount proposed by any such party) on an item by item basis; (C) made in accordance with this Agreement (including the definitions herein) and the Accounting Policies; and (D) conclusive and binding upon the parties hereto on the date of delivery of such written resolution. The procedure outlined in this **Section 3.4(b)(iii)** is referred to as the **"Purchase Price Dispute Resolution Procedure"**. Absent manifest error or fraud, the Accounting Firm's resolution of any matters submitted to the Accounting Firm shall be final and binding on the parties.

(iv) The Proposed Closing Statement shall become the **"Final Closing Statement"**, (A) on the earliest of (1) the thirty-first (31st) day following the delivery of the Proposed Closing Statement if an Objection Notice has not been delivered to Purchaser by Seller in accordance with the terms of this Agreement, (2) the date upon which Seller acknowledges in writing that it has no objections to the Proposed Closing Statement and (3) the date upon which the Accounting Firm reaches a final, binding resolution of solely those matters specified in any Objection Notice pursuant to **Section 3.4(b)(iii)**, (B) with such changes as are necessary to reflect matters resolved pursuant to any written resolution executed pursuant to **Section 3.4(b)(ii)**, on the date such resolution is executed, if all outstanding matters are resolved through such resolution and (C) with such changes as are necessary to reflect the Accounting Firm's resolution of matters in dispute, on the date the Accounting Firm delivers its final, binding resolution pursuant to **Section 3.4(b)(iii)**.

(v) Purchaser and Seller shall each pay their own costs and expenses incurred in connection with the Purchase Price Dispute Resolution Procedure; provided, however, the fees and expenses of the Accounting Firm shall be borne by Purchaser and Seller based on the inverse of the percentage that the Accounting Firm's determination bears to the total amount of the total items in dispute as originally submitted to the Accounting Firm by Purchaser and Seller. For example, should the items in dispute total in amount to \$1,000 and the Accounting Firm awards \$600 in favor of Seller's position, then 60% of the costs and expenses of its review would be borne by Purchaser and 40% of the costs and expenses would be borne by Seller.

(vi) The parties hereto agree that the procedures set forth in this **Section 3.4(b)** for resolving disputes with respect to the Proposed Closing Statement shall be the sole and exclusive method for resolving such disputes (and not subject to any provision of **Article 12**), provided that this provision shall not prohibit any party from instituting a Proceeding pursuant to the terms hereof to enforce any final determination of any adjustments to the Estimated Closing Working Capital and the Estimated Purchase Price.

(c) **Payment of the Post-Closing Capital Adjustment.**

(i) If, upon determination of any adjustment to the Estimated Purchase Price in accordance with this **Section 3.4**, the Purchase Price is less than the Estimated Purchase Price (the aggregate amount of the deficiency, if any, the **"Deficiency Amount"**), then Purchaser shall be paid an amount equal to the Deficiency Amount (i) first, from the Working Capital and Indemnification Escrow Account, and (ii) second, to the extent that the Working Capital and Indemnification Escrow Account has been depleted, Seller and

Shareholder, jointly and severally, shall pay to Purchaser the Deficiency Amount, in either case within five (5) Business Days following determination of the Final Closing Statement.

(ii) If, upon determination of any adjustment to the Estimated Purchase Price in accordance with this **Section 3.4**, the Purchase Price is greater than the Estimated Purchase Price (the aggregate amount of the surplus, if any, the "**Surplus Amount**"), then within five (5) Business Days following determination of the Final Closing Statement, Purchaser shall pay to Seller the Surplus Amount.

(iii) If, upon determination of any adjustment to the Estimated Purchase Price in accordance with this **Section 3.4**, the Purchase Price is equal to the Estimated Purchase Price, there will be no adjustment to the Purchase Price pursuant to this **Section 3.4(c)**.

Article 4 **Representations and Warranties of Seller**

Seller and the Shareholder, jointly and severally, hereby represent and warrant to Purchaser, as of the date hereof and as of the Closing, as follows:

4.1 **Organization and Good Standing.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of its organization, with all requisite power and authority to carry on the business in which it is engaged, to own, lease, or operate all of the properties and assets it purports to own or use, and to perform its obligations under the Applicable Contracts. Seller is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the nature of its business or the ownership or use of the properties or assets owned or used by it, or the nature of the activities conducted by it, makes such qualification necessary, all of which jurisdictions are set forth on **Schedule 4.1** hereto. Seller does not own, directly or indirectly, any capital stock of any other corporation or any equity, profit sharing, participation, or other interest in any corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture or other Person, except as set forth on **Schedule 4.1**. There are no subsidiaries of Seller, except as set forth on **Schedule 4.1**.

4.2 **Capitalization.** The authorized, issued and outstanding capital stock of Seller is set forth on **Schedule 4.2** hereto. The Shareholder own of record and beneficially all such capital stock of Seller, and all such capital stock of Seller is free and clear of all Liens, voting agreements, voting trust agreements, and proxies. There exist no options, warrants, subscriptions or other rights to purchase, or securities convertible into or exchangeable for, any of the authorized, issued or outstanding securities of Seller, except as set forth on **Schedule 4.2**. Seller has no Affiliates other than the Shareholder.

4.3 **Authorization and Validity; No Violation.**

(a) The execution, delivery and performance of this Agreement and the other Transaction Documents by Seller and the Shareholder, and the consummation of the Contemplated Transactions, have been unanimously approved and duly authorized by Seller and Shareholder. This Agreement and each of the other Transaction Documents have been or will be duly executed and delivered by each of Seller and the Shareholder (to the extent Seller or the Shareholder are a party to each Transaction Document) and constitute, as of the Closing, legal, valid and binding obligations of each of Seller and the Shareholder (to the extent Seller or the Shareholder are a party to each Transaction Document), enforceable against each of them in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies. The Seller and the

Shareholder have the capacity, authority and legal right to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party.

(b) Provided that all Required Consents have been obtained, neither the execution and delivery of this Agreement nor the consummation or performance by Seller and the Shareholder of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time), contravene, conflict with, or result in a violation of (i) any provision of the Organizational Documents of Seller, (ii) any resolution adopted by a shareholder or director of Seller, (iii) any Applicable Legal Requirement to which Seller or the Shareholder, or any of the assets owned or used by Seller, may be subject, (iv) any of the terms or requirements of, any Permit that is held by Seller or that otherwise is granted with respect to the business of, or any of the assets owned or used by, Seller, or (v) any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Applicable Contract.

4.4 Corporate Records. Copies of the Organizational Documents of Seller and all amendments thereto, have been delivered to Purchaser and are full, complete, true and accurate copies thereof. The minute books of Seller, full and complete access to which have been given to Purchaser, are in good and proper order and contain accurate minutes of all meetings of and accurate consents to all actions taken without meetings by (a) the directors of Seller (or any other Persons or committees acting as the director of Seller) and (b) the Shareholder.

4.5 Financial Statements. Seller has furnished to Purchaser true and complete copies of (a) the unaudited balance sheets of Seller for each of the immediately preceding three (3) fiscal years of Seller and the related unaudited statements of income, changes in equity, and cash flow for each of the fiscal years then ended, including the footnotes thereto (the "**Unaudited Financial Statements**") and (b) the unaudited balance sheet of Seller as of January 31, 2021 (the "**Interim Balance Sheet**") and the related unaudited consolidated statement of income, changes in equity and cash flow for the one (1) month then ended (such financial statements in (a) and (b), collectively, the "**Financial Statements**"). The Financial Statements are true, correct and complete and fairly present the financial condition and results of operations of Seller as of the dates and for the periods indicated and have been prepared in conformity with cash accounting methods applied on a consistent basis with prior practices (except as otherwise noted therein subject to year-end adjustments and footnote disclosures). There is no liability or obligation, whether absolute, contingent or otherwise, as of the respective dates of the Financial Statements required to be recorded, reflected or disclosed thereon or therein which was not so recorded, reflected or disclosed. Any significant items of income or expense which were unusual or of a nonrecurring or normalizing nature were separately disclosed in the Unaudited Financial Statements or are set forth on **Schedule 4.5** hereto. Seller's 2019 Pro Forma EBITDA was equal to or greater than \$1,530,537, comprised of \$959,623 of 2019 unadjusted EBITDA and equal to or greater than \$570,914 of pro forma adjustments from new contracts.

4.6 No Undisclosed Liabilities. Except as set forth on **Schedule 4.6**, Seller has no liability or obligation of any nature (whether known or unknown and whether absolute, accrued, contingent, fixed or otherwise) other than (a) liabilities or obligations that were incurred since the date of the Interim Balance Sheet in the Ordinary Course of Business and (b) matters expressly reflected or expressly reserved for in the Interim Balance Sheet, not to exceed the amounts set forth in the Interim Balance Sheet.

4.7 Commitments. Except as set forth on **Schedule 4.7** hereto or as otherwise set forth in this Agreement, Seller has not entered into, nor are the Purchased Assets or the Business bound by, whether or not in writing, any (a) partnership or joint venture agreement; (b) deed of trust or other security agreement; (c) guaranty or suretyship, indemnification or contribution agreement or performance bond; (d) employment, consulting or compensation agreement or arrangement, including the election or retention

in office of any director or officer; (e) labor or collective bargaining agreement; (f) debt instrument, loan agreement or other obligation relating to Indebtedness for borrowed money or money lent to another; (g) deed or other document evidencing an interest in or contract to purchase or sell real property; (h) lease of real or personal property, whether as lessor, lessee, sublessor or sublessee; (i) Contract containing noncompetition covenants; or (j) other agreement or commitment not made in the Ordinary Course of Business, that is material to the Business or financial condition of Seller.

4.8 Absence of Certain Changes. Except as set forth on **Schedule 4.8**, since January 1, 2020, Seller has not: (a) suffered any Material Adverse Effect; (b) contracted for or paid any capital expenditure in excess of \$10,000 or contracted for or paid more than \$10,000 for all capital expenditures to any Person or any Affiliate of any such Person; (c) incurred any Indebtedness for borrowed money, issued or sold any debt securities, or maintained the aging of its Accounts Payable other than in the Ordinary Course of Business, or agreed to do any of the foregoing; (d) mortgaged, pledged or subjected to any Lien (other than Permitted Liens), lease, or other charge any of the properties or assets of Seller or agreed to do any of the foregoing; (e) paid any amount on any Indebtedness for borrowed money prior to the due date, forgiven or canceled any material debts or claims or released or waived any material rights or claims or agreed to do any of the foregoing; (f) suffered any damage or destruction to or loss of any assets (whether or not covered by insurance) that could or does materially and adversely affect its Business; (g) acquired or disposed of any assets or incurred any liabilities or obligations or agreed to do any of the foregoing, except in the Ordinary Course of Business; (h) written up or written down the carrying value of any of its assets; (i) changed the costing system or depreciation methods of accounting for its assets or otherwise changed any method of accounting or adopted any new method of accounting or agreed to do any of the foregoing; (j) accelerated any item of income or gain into the period prior to the Closing, or deferred any item of expense or loss into the period after Closing, and such acceleration or deferral is not made in the Ordinary Course of Business; (k) lost or terminated any employees, consultants, agents, representatives, customers or suppliers that could or does materially and adversely affect its Business or assets; (l) increased or agreed to increase the compensation of any consultant, agent, representative or employee, except in the Ordinary Course of Business; (m) made any distributions or other payments to or loaned any money to Seller and/or Affiliates or agreed to do any of the foregoing; (n) formed or acquired or disposed of any interest in any corporation, partnership, joint venture or other Person; (o) redeemed, purchased or otherwise acquired, or sold, granted or otherwise disposed of, directly or indirectly, any of its interests or any rights to acquire such interests, or agreed to change terms and conditions of any such rights; (p) entered into any employment, compensation, consulting or collective bargaining agreement with any Person or group, or modified or amended the terms of any such existing agreement; or (q) agreed to do any of the foregoing.

4.9 Title; Leased Assets.

(a) Except as set forth on **Schedule 4.9**, Seller owns the Purchased Assets, and all real and personal property leaseholds, free and clear of all Liens other than Liens for Taxes or assessments that are not yet due or payable (the "**Permitted Liens**"). The Purchased Assets are the only assets necessary for the present conduct of the Business. **Schedule 4.9** hereto also contains a listing of which Purchased Assets are leased. Upon consummation of Contemplated Transactions, Purchaser will receive good, valid, and marketable title to (or a valid leasehold interest in, as the case may be) the Purchased Assets and will be entitled to use as lessee all leased assets which are material to the operation of the Business.

(b) All tangible properties and assets material to the Business of Seller are reflected in the Financial Statements in a manner and to the extent required by the historical practices of Seller consistently applied. Seller owns or leases or otherwise possesses a transferable right to use all the Purchased Assets that are material to the operation of the Business as conducted immediately before the date of this Agreement.

4.10 Leased Premises.

- (a) Except as set forth on **Schedule 4.10**, Seller does not own any real property.
- (b) Seller has delivered to Purchaser true, correct and complete copies of each of the leases for each Leased Premises.
- (c) Each of the leases for the Leased Premises are in full force and effect and has not been assigned, modified, supplemented or amended, and neither Seller nor, to the Knowledge of Seller or the Shareholder, the landlord under any such leases are in default under any of such leases, and no circumstance or state of facts presently exists that, with the giving of notice or passage of time, or both, would permit the landlord or sublandlord under any of such leases to terminate any of such leases. Except as set forth on **Schedule 4.10**, none of the landlords under the leases of the Leased Premises is an Affiliate of Seller or the Shareholder.
- (d) The Leased Premises and the present uses thereof comply with all Applicable Legal Requirements, including all zoning ordinances, and Seller has received no notices, oral or written, from any Governmental Authority or authority, and has no reason to believe, that the Leased Premises or any improvements thereon, or the uses conducted thereon or therein, violate any such Applicable Legal Requirement.
- (e) The improvements located on the Leased Premises are in good condition and are structurally sound, and all mechanical and other systems located therein are in good operating condition, subject to normal wear and tear, and no condition exists requiring material repairs, alterations or corrections.
- (f) No work for municipal improvements has been commenced on or in connection with the Leased Premises or any street adjacent thereto. No assessment for public improvements has been made against any of the Leased Premises that remains unpaid. No notice from any county, township or other Governmental Authority or authority has been served upon any of the Leased Premises or received by Seller requiring or calling attention to the need for any work, repair, construction, alternation or installation on or in connection with any of the Leased Premises which has not been complied with.
- (g) Except as set forth on **Schedule 4.27** hereto, none of the leases for the Leased Premises require the consent of any party to its assignment in connection with the Contemplated Transactions.

4.11 Fixed Assets. **Schedule 1.1(b)** is a complete and accurate list and description of the Fixed Assets as of the date hereof, which **Schedule 1.1(b)** shall be updated as of Closing. All of the Fixed Assets owned or leased by Seller and presently used in the conduct of the Business are in good condition and repair, ordinary wear and tear excepted (which is not material in the aggregate), are fit for their intended use in the Ordinary Course of Business, and are sufficient for the continued operation of the Business following the Closing.

4.12 Inventory. **Schedule 1.1(c)** is a complete and accurate list and description of the Inventory as of the date hereof, which **Schedule 1.1(c)** shall be updated as of Closing. All Inventory of Seller (i) was acquired and has been maintained in the Ordinary Course of Business, (ii) is of good and merchantable quality, (iii) consists substantially of a quality, quantity and condition usable, leasable or saleable in the Ordinary Course of Business, (iv) is valued at reasonable amounts based on the Ordinary Course of Business and (v) is not subject to any write-down or write-off.

4.13 Bids. The Bids set forth on **Schedule 1.1(l)** hereto represents Seller's complete internal records of the Bids quoted or requests for proposals submitted as of the date hereof, which **Schedule 1.1(l)** shall be updated as of Closing.

4.14 Accounts Receivable. **Schedule 1.1(d)** is a complete and accurate list and description of the Accounts Receivable as of the date hereof, which **Schedule 1.1(d)** shall be updated as of Closing. All of the Accounts Receivable are free and clear of any Liens. All of the Accounts Receivable represent amounts validly due as billed and none of the obligors of the Accounts Receivable has given notice that it will or may refuse to pay the full amount thereof or any portion thereof. All such Accounts Receivable will be collected in the Ordinary Course of Business, assuming Purchaser undertakes reasonable efforts consistent with Seller's prior practices to collect these accounts. The Accounts Receivable (a) have arisen solely out of bona fide performance of services and other business transactions in the Ordinary Course of Business, (b) have been determined in accordance with the historical practices of Seller consistently applied, and (c) are not subject to any valid defenses, set-offs or counterclaims and are due and payable at the full recorded amount thereof.

4.15 Prepaid Expenses. Except as set forth on **Schedule 4.15**, the Prepaid Expenses include all of the prepaid expenses and deposits of Seller as of the date hereof and as of the Closing and determined in accordance with the historical practices of Seller consistently applied.

4.16 Compliance with Applicable Legal Requirements. Seller is and has been in compliance with all Applicable Legal Requirements in all material respects. Seller and each of its officers and employees have held (and currently hold) all federal, state and other licenses, registrations, franchises, permits, qualifications, agreements, waivers, variances, consents, approvals and authorizations necessary for the lawful ownership and use of Seller's properties and assets and the conduct of Seller's business under and pursuant to each Applicable Legal Requirement (each of which is listed on **Schedule 1.1(j)**) (collectively, "**Permits**"). Seller has complied with and is not in violation or default under any Permit. All such Permits are valid and in good standing and are not subject to any Proceeding for the suspension, material modification or revocation thereof or Proceedings related thereto, and, to the Knowledge of Seller, no such suspension, cancellation, modification, non-renewal or revocation or Proceeding is Threatened. Subject to the receipt of the Required Consents, the consummation of the Contemplated Transactions will not result in any revocation, cancellation, material limitation or suspension of any such Permits.

4.17 Suppliers.

(a) **Schedule 4.17(e)** sets forth a list of all suppliers of Seller with an annual spend in excess of \$10,000, together with a complete and accurate summary of total spending for fiscal years 2019 and January 1, 2020 through December 31, 2020. Neither Seller nor Shareholder have received actual notice, written or oral from any such supplier that any supplier has terminated, cancelled or significantly curtailed, or has threatened or finally determined that it will terminate, cancel or significantly curtail, its business relationship with Seller or any of its Affiliates.

(b) Neither Seller nor Shareholder have (i) made any payment to any Person (an "**Official**") employed by or affiliated with any customer, supplier, or Governmental Authority charged with reviewing, monitoring, or regulating any activities of Seller or Shareholder, (ii) given any personal property or real property to any Official, (iii) sold any personal property or real property to any Official at less than fair market value, (iv) made a political contribution to any governmental Official in violation of any applicable Legal Requirement, or (v) otherwise taken any action in violation of any Legal Requirement prohibiting bribes, kickbacks, or other activities that seek to wrongfully influence any Official.

4.18 Contracts; No Defaults.

(a) **Schedule 4.18(a)** contains a complete and accurate list of, and Seller has delivered to Purchaser correct and complete copies of, all Applicable Contracts, oral or written.

(b) Except as set forth on **Schedule 4.18(b)**, (i) each Applicable Contract is a legal, valid and binding obligation of Seller and, to the Knowledge of Seller, each other party to such Applicable Contract, and is enforceable against Seller and, to the Knowledge of Seller, each such other party in accordance with its terms, except in each case (A) as may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Applicable Legal Requirements now or hereafter in effect relating to or affecting creditors' rights generally and (B) as may be limited by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity), (ii) neither Seller nor, to the Knowledge of Seller, any other party to an Applicable Contract is in Breach or has failed to perform any material obligation under an Applicable Contract, (iii) Seller is, and at all times in the preceding three (3) years has been, in compliance in with all payment obligations under each Applicable Contract, (iv) no event has occurred or circumstance exists that (with or without notice or lapse of time) may result in a material contravention of, conflict with, violation of or Breach of, or give Seller or, to the Knowledge of Seller, any other Person the right to declare a default or exercise any material remedy under, or to accelerate the maturity or performance of or to cancel, terminate or make a material modification to, any Applicable Contract and (iv) Seller has not received any notice of (A) termination or intention to terminate any Applicable Contract from any party thereto, or (B) any actual, alleged, possible, or potential violation or Breach of, or default under, any Applicable Contract.

(c) Except as set forth on **Schedule 4.18(c)**, no Applicable Contract requires the consent of any party to its assignment in connection with the Contemplated Transactions.

(d) To the Knowledge of Seller, no facts or circumstances presently exist that would prevent Seller from satisfying on a timely basis any material term or condition to be satisfied by it contained in any of the Applicable Contracts.

(e) There are no disputes as to any amounts payable to or by Seller under any Applicable Contracts with any Person.

4.19 Trade Rights; Intellectual Property; Computer Software. **Schedules 1.1(g) and 1.1(h)** contain complete and correct descriptions of the nature of Seller's right, title or interest in the Trade Rights and Intellectual Property and the purposes for which each is used, together with a description of the steps Seller has taken to preserve and protect their interests therein. **Schedules 1.1(g) and 1.1(h)** contain complete and accurate lists of all Trade Rights and Intellectual Property that are used by Seller in or deemed necessary by Seller for use in the conduct of the Business or in which Seller has any right, title or interest. Each of the Trade Rights and Intellectual Property is in all respects valid, subsisting and in full force and effect and are owned by Seller free and clear of any Liens or adverse claims of any Person. Seller does not infringe upon or unlawfully or wrongfully use any patent, trademark, trade name, service mark, copyright, trade secret or other intellectual property owned or claimed by another. To the Knowledge of Seller, no other Person is making use of any of the Trade Rights or Intellectual Property. Seller has not granted any licenses or other rights to any Person to use any of the Trade Rights or Intellectual Property that remain outstanding. Seller is not in default under, nor have Seller received any notice of any claim of infringement or any other claim or proceeding relating to any patent, trademark, trade name, service mark, copyright, trade secret, domain name, web site or other intellectual property, and there is no basis for any Third Party making such a claim. No present or former employee or agent of Seller and no other Person owns or has

any proprietary, financial or other interest, direct or indirect, in whole or in part, in any of the Trade Rights or Intellectual Property. Except as set forth on **Schedule 4.19** hereto, each employee, agent, consultant or contractor who has contributed to or participated in the creation or development of any Trade Rights or Intellectual Property on behalf of Seller or any predecessor in interest thereto either: (i) is a party to a "work-for-hire" agreement under which Seller (or such predecessor in interest, as applicable) is deemed to be the original owner/author of all property rights therein; or (ii) has executed an enforceable assignment in favor of Seller (or such predecessor in interest, as applicable) of all right, title and interest in all of the same. Except as set forth on **Schedule 4.19** hereto, Seller, nor any of Seller's employees or agents engaged in the Business, are a party to any confidentiality or nondisclosure agreement that restricts Seller's ability to operate the Business. Seller will deliver to Purchaser at Closing all user and technical documentation in Seller's possession at Closing and source code (if any) related to the Software in Seller's possession, which documentation will be that used by Seller in the Business. The Software is utilized by Seller under licenses with third parties and Seller is in compliance with the terms and conditions of each such license. No party other than Seller or the licensor has any interest in Seller's license of Software, including without limitation any Lien, license, contingent interest or otherwise. Seller's use or exploitation of the Software does not violate any rights of any other Person and Seller has not received any communication alleging such a violation. Seller has no obligation to compensate any Person for the use or exploitation of the Software nor have Seller granted to any other Person any license, option or other right to develop, use, sell or exploit in any manner the Software, whether requiring the payment of royalties or not. As of the Closing, Purchaser will have the right to use all Trade Rights, Intellectual Property and Software (assuming receipt of consents to assignment from the licensors of such Software) that is used in or necessary for the conduct of the Business.

4.20 Records. The books of account of Seller has been kept accurately in the Ordinary Course of Business, the transactions entered therein represent bona fide transactions and the revenues, expenses, assets and liabilities of Seller has been properly recorded in such books. The Records are in good order, are complete, and have been maintained in accordance with sound business practices.

4.21 Proprietary Information. Except as set forth on **Schedule 4.21** hereto, neither Seller nor the Shareholder (nor, to the Knowledge of Seller or Shareholder, any employee of Seller) have disclosed any confidential information purported to be transferred hereunder (including, but not limited to, Trade Rights, Intellectual Property, Records, methods by which the Business is or has been conducted, and methods by which the customers or business of Seller is or have been obtained) (collectively, the "**Proprietary Information**") which does not exist in the public domain to any Third Party, except in the Ordinary Course of Business.

4.22 Claims and Proceedings.

(a) Except as set forth on **Schedule 4.22(a)**, there are no, and there have not been since January 1, 2018, Proceedings by or against Seller (i) settled, pending or Threatened, (ii) individually or in the aggregate, that would reasonably be expected to prevent or materially impair or delay the ability of Seller to perform its obligations hereunder or under any ancillary agreement, or (iii) as of the date hereof or as of the Closing, that challenge the validity of the Contemplated Transactions. No Investigation is pending and, to the Knowledge of Seller, no Investigation or action has been Threatened, in each case by or against Seller.

(b) (i) Except as set forth on **Schedule 4.22(b)**, there exist no, and since January 1, 2018, there have been no, Orders to which Seller or any of the assets owned by Seller is subject and (ii) no officer, manager, agent or employee of Seller is subject to any Order that prohibits such officer, manager, agent or employee from engaging in or continuing any conduct, activity or practice relating to the business of Seller.

4.23 Employment Matters.

(a) Labor Relations. There is no collective bargaining relationship between Seller and any union. There have been no strikes, work stoppages, or any demands for collective bargaining by any union or labor organization; there is no claim, dispute, or controversy with any union or other organization of Seller's employees; and there are no arbitration proceedings pending or Threatened involving a dispute or controversy. Seller is, and has at all times since January 1, 2018, been, in full compliance with all Applicable Legal Requirements respecting employment and employment practices, terms, and conditions of employment and wages and hours, including, without limitation, the National Labor Relations Act, the Fair Labor Standards Act, the Family and Medical Leave Act of 1993, the Americans with Disabilities Act, the Veterans Reemployment Rights Act, the Equal Employment Opportunities Act as amended by the Civil Rights Act of 1991, the Occupational Safety and Health Act, the Employee Retirement Income Security Act, the Immigration Reform and Control Act of 1986, the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Older Workers Benefit Protective Act, and all other Applicable Legal Requirements, each as amended to date, relating to employer/employee rights and obligations.

(b) Compensation. **Schedule 4.23(b)** lists the current job title, date of hire, and total remuneration (including, without limitation, salary, commissions, and bonuses) for each employee or consultant of Seller who received total remuneration in excess of \$10,000 from Seller during the current fiscal year or who is expected to receive total remuneration in excess of such amount during the current fiscal year. Except as disclosed on **Schedule 4.23(b)**, Seller has not, since January 1, 2020, increased or committed to increase the base compensation, bonus, or the rate (or any other component) of total compensation payable or to become payable by Seller to any employee (including any director, officer, or consultant), whether such Person is listed on **Schedule 4.23(b)** or not, and no extraordinary compensation, commission, or bonus will be paid by Seller which is or may become a liability of Purchaser. Except as set forth on **Schedule 4.23(b)**, Seller has no direct or indirect, express or implied, obligation to pay severance or termination pay to any officer or employee of Seller or to pay any amounts to any consultant, agent, or similar Person. To the Knowledge of Seller, there do not exist any facts that would indicate that any employee of Seller will not accept employment with Purchaser on a basis no less favorable than that upon which such employee is currently employed by Seller.

(c) Other Employee Matters. Set forth on **Schedule 4.23(c)** are the following: (i) description of the termination or severance pay policy of Seller; (ii) a complete and accurate list of all holiday and vacation pay and other benefits accrued as of the Closing Date, including, but not limited to, accrued sick leave in respect of employees of Seller; and (iii) a description of the workers compensation loss experience of Seller from January 1, 2018 through the Closing Date. **Schedule 4.23(c)** contains a list of employment manuals or written employment policies and/or procedures have been provided to or for employees of the Business by Seller. Except as set forth on **Schedule 4.23(c)**, no written or verbal employment, consultant, or independent contractor agreement exists to which Seller or Shareholder are bound. Seller is in compliance with all Applicable Legal Requirements respecting employment and employment practices, terms and conditions of employment and wages and hours, and Seller is not engaged in, nor has Seller committed, any discriminatory employment practice or unfair labor practice as defined in the National Labor Relations Act of 1947, as amended. There is no employment discrimination claim, or any other statutory employment claims, either pending or Threatened, against Seller or Shareholder, nor is there any unfair labor practice claim against either Seller or Shareholder before the National Labor Relations Board with respect to the Business.

(d) Overtime, Back Wages, Vacation, and Minimum Wages. No present or former employee of Seller has any claim against Seller (whether under any Applicable Legal Requirements, any employment agreement, or otherwise) on account of or for (i) overtime pay, other than overtime pay for the then current payroll period, (ii) wages, incentives, bonuses, commissions, or salary for any period other than the current payroll period, (iii) vacation, time off or pay in lieu of vacation or time off, other than that earned in respect of the current fiscal year or accrued on Seller's Records, or (iv) any violation of any Applicable Legal Requirements relating to minimum wages or maximum hours of work, including, without limitation, prevailing wage laws. All amounts required to be withheld by Seller from its employees have been properly withheld and will be timely deposited and all contributions required to be paid by Seller in respect of its employees have been paid in accordance with the Applicable Legal Requirements regarding Taxes.

(e) Immigration Compliance. Seller has at all times since January 1, 2018 complied in all material respects with the requirements of all Applicable Legal Requirements regarding immigration, including, but not limited to, the requirements under the federal Immigration Reform and Control Act of 1986 regarding verification of employment eligibility, documentation fraud, document retention, non-discrimination, and the prohibition against knowing employment of workers who are not authorized to work in the United States. Except as set forth on **Schedule 4.23(e)**, Seller has on file a valid and current I-9 form for (i) all current employee hired since November 6, 1986, and (ii) all former employees whose employment commenced less than three years prior to the date of this Agreement or terminated less than one year prior to the date of this Agreement. Seller does not knowingly or intentionally employ any person ineligible to work in the United States under federal, state, or local law. Seller has never been the subject of (x) any immigration investigation, enforcement action, or legal proceeding involving the federal government, (y) any requests by U.S. Immigration Customs Enforcement to inspect Seller's I-9 Forms or other immigration records, or (z) any state or local immigration enforcement investigation or legal proceeding. Seller has not received notification from the Social Security Administration, Internal Revenue Service, or any federal, state, or local governmental agency that information provided by Seller regarding an employee failed to match the agency's records.

(f) Bonuses. There is no annual bonus or incentive compensation due or owing to any employee of the Seller for performance periods prior to the date of this Agreement which has not been paid or adequately reserved for. No employee of the Seller reasonably expects to receive a bonus from any Seller or Purchaser for the 2020 fiscal year or any prior period.

4.24 ERISA and Related Employee Benefit Matters.

(a) All "employee welfare benefit plans," as defined in Section 3(1) of ERISA, and all "employee pension benefit plans," as defined in Section 3(2)(A) of ERISA, heretofore established or maintained by Seller ("**Seller Plans**"), as listed on **Schedule 4.24(a)**, are in compliance with all Applicable Legal Requirements, and all benefits, contributions, transfers, and premiums or other payments required by and due under the terms of each Seller Plan required to be made to the Seller Plans through the Closing Date have been made by Seller. Seller has no liability with respect to any plan, arrangement, or practice of the type described in the preceding sentence other than the Seller Plans. With respect to each Seller Plan, copies of the most recent documents described below have been delivered or made available to Purchaser: (i) Internal Revenue Service determination letter or opinion letter for any Qualified Benefit Plan; (ii) Form 5500 and summary annual report for any Seller Plan for which such report is required; (iii) all plan documents and amendments or, in the case of an unwritten Seller Plan, a written description thereof; (iv) summary plan descriptions

and summaries of material modifications; and (v) all trust agreements, insurance contracts, and other documents relating to the funding or payment of benefits.

(b) Each Seller Plan sponsored and maintained by Seller that is intended to be qualified under Section 401(a) of the Code (a "**Qualified Benefit Plan**") is so qualified and has received a favorable determination letter from the Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code, and, to the Knowledge of Seller, nothing has occurred that would reasonably be expected to cause the revocation of such determination letter from the Internal Revenue Service or the unavailability of reliance on such opinion letter from the Internal Revenue Service, as applicable.

(c) To the extent required under Applicable Legal Requirements, Seller is and has been in compliance in all respects with the Affordable Care Act.

(d) Seller has no obligation to contribute to a "defined benefit plan" as defined in Section 3(35) of ERISA, a pension plan subject to the funding standards of Section 302 of ERISA or Section 412 of the Code, a "multiemployer plan" as defined in Section 3(37) of ERISA or Section 414(f) of the Code or a "multiple employer plan" within the meaning of Section 210(a) of ERISA or Section 413(c) of the Code.

(e) Other than as required by Applicable Legal Requirements, Seller does not provide, nor is it obligated to provide, benefits, including, but not limited to, death, health, medical, or hospitalization benefits (whether or not insured), with respect to current or former employees, their dependents, or beneficiaries, beyond their retirement or other termination of employment other than (i) coverage mandated by Applicable Legal Requirements, or (ii) death benefits or retirement benefits under any employee pension benefit plan, as defined above.

(f) Except as set forth on **Schedule 4.24(f)**, there is no pending or, to the Knowledge of Seller, Threatened Proceeding relating to a Seller Plan (other than routine claims for benefits), nor, to the Knowledge of Seller, is there any basis for one. To the Knowledge of Seller, no Seller Plan is currently the subject of an audit or other inquiry from the Internal Revenue Service, U.S. Department of Labor, Pension Benefit Guaranty Corporation or other Governmental Authority.

(g) The consummation of the Contemplated Transactions will not: (i) result in the payment to any current or former employee, officer, director, or consultant (or dependents of such Persons) of any money or other property; or (ii) accelerate the payment or vesting of any payments or benefits or provide any additional rights or benefits (including funding of compensation or benefits through a trust or otherwise) to any current or former employee, officer, director, or consultant. No amount that could be received (whether in cash or property or the vesting of property) as a result of the Contemplated Transactions by any employee, officer, or director of Seller or any of its Affiliates who is a "disqualified individual" (as such term is defined in Treasury Regulation Section 1.280G-1) under any employment, severance, or termination agreement, other compensation arrangement or Seller Plan currently in effect would be characterized as an "excess parachute payment" (as such term is defined in Section 280G(b)(1) of the Code).

(h) Seller has complied in all material respects with the continuation coverage requirements of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA. No Seller Plan is or at any time was funded through a "welfare benefit fund" as defined in Section 419(e) of the Code, and no benefits under any Seller Plan are or at any time have been provided through a

voluntary employees' beneficiary association (within the meaning of Section 501(c)(9) of the Code) or a supplemental unemployment benefit plan (within the meaning of Section 501(c)(17) of the Code) or a "multiple employer welfare plan" (within the meaning of Section 3(40) of ERISA).

4.25 **Insurance.** All the insurable properties of Seller is insured for its benefit under valid and enforceable policies, issued in amounts and against such risks and losses as set forth on **Schedule 4.25** hereto, and such schedule contains complete and accurate copies of all policies of fire, liability, business interruption, workers' compensation and other forms of insurance and all fidelity bonds held by or applicable to Seller at any time within the past three years (collectively, the "**Insurance Policies**"). No event relating to Seller or the Business has occurred which will result in a retroactive upward adjustment of premiums under any such policies. No insurance policy of Seller has been canceled by any insurer within the last three years and no threat has been made to cancel any insurance policy of Seller within the last three years.

4.26 **Taxes.** The term "**Taxes**" means all net income, capital gains, gross income, gross receipts, sales and use, transfer, ad valorem, franchise, profits, license, capital, withholding, payroll, employment, unemployment compensation, social security, excise, privilege, goods and services, severance, stamp, documentary, recording, occupation, premium, property, windfall profits, school, customs, duties or other taxes, fees or assessments, or other governmental charges of any kind whatsoever, together with any interest, fines and any penalties, additions to tax or additional amounts incurred or accrued under Applicable Legal Requirements or assessed, charged, or imposed by any Governmental Authority, provided that any interest, penalties, additions to tax, or additional amounts that relate to Taxes for any taxable period (including any portion of any taxable period ending on or before the Closing Date) will be deemed to be Taxes for such period, regardless of when such items are incurred, accrued, assessed, or imposed. For the purposes of this **Section 4.26**, Seller will be deemed to include any predecessor of Seller or any Person from which Seller incurs a liability for Taxes as a result of any transferee liability.

(a) Seller has duly and timely filed true, correct, and complete tax returns, reports, or estimates, all prepared in accordance with Applicable Legal Requirements, for all years and periods (and portions thereof) and for all jurisdictions (whether federal, state, local, or foreign) in which any such returns, reports, or estimates were due. All such tax returns or reports fairly and accurately reflect in all material respects the Taxes of Seller for the periods covered thereby. Seller is not delinquent in the payment of any Tax, there is no Tax deficiency or delinquency asserted against Seller, there is no unpaid assessment, proposal for additional taxes, deficiency, or delinquency in the payment of any of the Taxes of Seller that could be asserted by any Governmental Authority, and there has been no violation by Seller of any Applicable Legal Requirements pertaining to Taxes.

(b) Seller is not required by any federal, state, local or foreign tax code to file a consolidated tax return.

(c) Seller has (i) withheld all required amounts from its employees, agents, contractors, and nonresidents and remitted such amounts to the proper Governmental Authorities; (ii) paid all employer contributions and premiums; and (iii) filed all federal, state, local, and foreign returns and reports with respect to employee income tax withholding, and social security, and unemployment taxes and premiums, all in compliance with the withholding tax provisions of the Code, as in effect for the applicable year or any prior provision thereof and other Applicable Legal Requirements.

(d) Seller's Tax returns have never been audited by the Internal Revenue Service or any other Governmental Authority.

(e) Seller has not executed or filed any agreement or other document extending the period for assessment, reassessment, or collection of any Taxes, and no power of attorney granted by Seller with respect to any Taxes is currently in force.

(f) Seller has not entered into any closing or other agreement with any Governmental Authority that affects any taxable year of Seller ending after the Closing Date. Seller is not a party to any Tax sharing agreement or similar arrangement for the sharing of Tax liabilities or benefits.

(g) Seller has not agreed to, nor is it required to, make any adjustment by reason of a change in accounting methods, practices, or principles that affects any taxable year ending after the Closing Date. Seller has not received any notice that the Internal Revenue Service has proposed to Seller any such adjustment or change in accounting methods, practices, or principles that affects any taxable year ending after the Closing Date. Seller has no application pending with any Governmental Authority requesting permission for any changes in accounting methods, practices, or principles that relate to the Business or the operation of its assets (including the Purchased Assets) and that affects any taxable year ending after the Closing Date.

(h) Seller has never had a permanent establishment in any foreign country and does not and has not engaged in a trade or business in any foreign country.

(i) There is no Contract or plan covering any employee or former employee of Seller that, individually or collectively, can give rise to the payment by Seller of any amount that would not be deductible by reason of Code Section 280G.

4.27 Consents. Except as set forth on **Schedule 4.27**, no Permit of, or filing with, any Governmental Authority, any lender or lessor or any other Person is required (i) to authorize, or is required in connection with, the execution, delivery and performance of this Agreement or the agreements contemplated hereby on the part of Seller or the Shareholder or (ii) in connection with the transfer of any of the Purchased Assets from Seller to Purchaser, including but not limited to the assignment of the Assigned Contracts and Leased Premises to Purchaser.

4.28 Environmental Matters. (a) Seller and the Leased Premises (while occupied by Seller) are and have been in compliance in all material respects with all applicable Environmental Laws, which compliance has included possessing and complying with all Permits required for their operations and the occupation of the Leased Premises under applicable Environmental Laws, (b) neither Seller nor any of the Leased Premises have received or is the subject of any pending written notice, notification, demand, request for information, citation, summons, complaint, report, Proceeding or Order, with respect to any Environmental, Health, and Safety Liabilities or other matters relating to or arising out of any Environmental Laws (c) Seller has not incurred any Environmental, Health, and Safety Liabilities, and Seller (and other Persons to the extent giving rise to Environmental, Health, and Safety Liabilities for Seller) have not treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or released, or exposed any Person to, or owned or operated any property or facility contaminated by, any Hazardous Materials, in each case that has given or would give rise to any Environmental, Health, and Safety Liabilities (if any), (d) Seller has delivered to Purchaser all environmental reports and documents materially bearing on Environmental, Health, and Safety Liabilities relating to the current and former operations, properties or facilities of Seller in its possession or under its control, and (e) there are no underground storage tanks on the Leased Premises that are owned by Seller.

4.29 Affiliate Transactions. Except as set forth on **Schedule 4.29**, no Affiliate of Seller, directly or indirectly: (a) provides any services to the Business or is a lessor, lessee or supplier to the Business; (b) has any cause of action or other claim whatsoever against, or owes any amount to, or is owed any amount

by, any Seller; (c) has any financial interest in, or owns property or rights used in, the Business; (d) is a party to any Contract relating to the Purchased Assets or the Business (other than compensation or employee benefits payable in the Ordinary Course of Business); (e) has received from, or furnished to, any Seller any goods or services; or (f) has any financial interest in, or serves as an officer, manager, director of any customer, competitor or vendor or supplier of the Business.

4.30 Finder's Fee. Neither Seller nor Shareholder have incurred any obligation for any finder's, broker's or agent's fee in connection with this Agreement or any of the agreements contemplated hereby or any of the Contemplated Transactions.

4.31 CARES Act Compliance.

(a) **Schedule 4.31** sets forth all PPP Loans that Seller and its Affiliates (as such term is defined by SBA regulations) have received. Seller represent that Seller and its Affiliates, as applicable, were eligible for the PPP Loans at the time of application, and that they truthfully and accurately completed the application (and any and all other documentation and certifications) for the PPP Loans. Seller and its Affiliates, as applicable, correctly determined the maximum loan amount that they were eligible for under the CARES Act, and the loan documents represent such applied for amount.

(b) Seller has made available for inspection by Purchaser and its representatives true, correct, and complete copies of all documentation related to PPP Loans, including, but not limited to, the original loan application, the loan documents from the lender, documentation of eligibility and economic need, and all other documentation as specified in the PPP Loan Forgiveness Application. All such documentation was true, accurate and complete.

(c) To the extent that the consummation of the Contemplated Transactions will result in an event of default under the PPP Loan documents, Seller and its Affiliates have obtained or will obtain prior to Closing all necessary waivers, approvals and consents.

(d) Seller and its Affiliates have used all of the proceeds of the PPP Loan exclusively for CARES Act Forgivable Uses in the manner required under the CARES Act to obtain forgiveness of the largest possible amount of the PPP Loan.

(e) Seller and its Affiliates have used the PPP Loans solely in accordance with all laws, rules, and regulations governing such receipt and use, as the same may be modified from time to time by the applicable government agencies or further legislation, as applicable. In the event of a modification of the regulation that provided clarity and an opportunity to cure, Seller and its Affiliates have taken all such opportunities to cure any defect in their compliance.

(f) **Schedule 4.31** sets forth the total amount of Taxes of Seller, the payment of which has been deferred by Seller under the authority of Section 2302 of the CARES Act. To the extent Seller is otherwise eligible to claim any payroll tax credit or deferral that is permitted by the CARES Act (including Sections 2301 or 2302 of the CARES Act), they have not taken any action prior to the date hereof that could prevent it from claiming such credit or deferral after the date hereof.

4.32 Forest Service Fee Liability. Seller has at all times provided true and accurate information to the US Forest Service with respect to the calculation of Seller's Granger-Thye Fee-Offset Indirect Cost Rate and Seller's annual fee owed to the US Forest Service, including the amount and value of any maintenance project used to offset the amount owed to the US Forest Service. Seller does not owe any fees to the US Forest Services for any periods of time prior to calendar year 2020.

4.33 Bookings; Advance Deposits.

(a) **Schedule 4.33(a)** contains a complete and accurate list of, (i) all Bookings, oral or written, including the rates applicable thereunder and any deposits received by or on behalf of Seller (whether paid in cash or by credit card) as a deposit for any Booking (the "**Booking Deposits**"), (ii) all 2021 annual passes for campgrounds issued and sold prior to Closing (the dollar amount received by Seller for such passes, less the cost of printing such annual passes, and such net amount prorated based on the number of calendar days remaining in the operating season of the 2021 annual pass, is referred to herein as the "**Annual Pass Deposits**"), and (iii) all reasonable and customary expenses incurred by Seller in the Ordinary Course of Business in connection with the collection of Advanced Deposits (the "**Collection Expenses**"). The Annual Pass Deposits, together with the Booking Deposits, are referred to herein collectively as the "**Advance Deposits**". In calculating the amount of the Advance Deposits at any time, the aggregate amount of the Advance Deposits shall be reduced by the amount of the Collection Expenses. **Schedule 4.33(a)** shall be updated as of Closing.

(b) Except as set forth on **Schedule 4.33(b)**, (i) each Booking is a legal, valid and binding obligation of Seller and, to the Knowledge of Seller, each such other party in accordance with its terms, (ii) neither Seller nor, to the Knowledge of Seller, any other party to a Booking is in Breach or has failed to perform any material obligation under a Booking, (iii) no event has occurred or circumstance exists that (with or without notice or lapse of time) may result in a material contravention of, conflict with, violation of or Breach of, or give Seller or any other Person the right to declare a default or exercise any material remedy under, or to accelerate the maturity or performance of or to cancel, terminate or make a material modification to, any Booking and (iv) Seller has not received any notice of (A) termination or intention to terminate any Booking from any party thereto, or (B) any actual, alleged, possible, or potential violation or Breach of, or default under, any Booking.

(c) To the Knowledge of Seller, no facts or circumstances presently exist that would prevent Seller from satisfying on a timely basis any material term or condition of any Booking. To the Knowledge of Seller, there are no disputes as to any amounts payable to or by Seller under any Booking with any Person.

4.34 Fishing Funds; Maintenance Fund Accounts.

(a) The Fishing Funds set forth on **Schedule 1.1(n)** hereto represents Seller's complete internal records of the Fishing Funds as of the date hereof, which **Schedule 1.1(n)** shall be updated as of Closing.

(b) The Maintenance Fund Accounts and the party controlling such Maintenance Fund Accounts are set forth in reasonable detail on **Schedule 4.34** and represents Seller's complete internal records of the Maintenance Fund Accounts existing as of the date hereof, which **Schedule 4.34** shall be updated as of Closing.

4.35 Business Operations.

(a) The Business has at all times been operated and managed by Seller in accordance with all Applicable Legal Requirements in all material respects.

(b) The quantities of Fixed Assets and Inventory, including provisions for reserve, are sufficient for the operation of the Business in accordance with the Ordinary Course of Business.

(c) The Business includes a sufficient amount of Fixed Assets and Inventory, based on the Ordinary Course of Business.

(d) All utilities and services necessary for the use and operation of the Business (including, without limitation, road access, water, electricity and telephone) are available thereto, and are of sufficient capacity to meet adequately all needs and requirements necessary for the current use and operation of the Business. To the Seller's Knowledge, no fact, condition or proceeding exists which would result in the termination or impairment of the furnishing of such utilities to the Business.

(e) Since January 1, 2017, all evaluations, assessments, audits, or reports from the US Forest Service or any other contracting party of Seller have been delivered or made available to Purchaser.

4.36 Accuracy of Information Furnished. All information furnished to Purchaser by Seller or Shareholder is true, correct and complete in all material respects and such information states all material facts required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements are made, true, correct and complete in all material respects.

4.37 Solvency.

(a) Seller is not now insolvent and will not be rendered insolvent by any of the Contemplated Transactions. As used in this section, "insolvent" means that the sum of the debts and other probable liabilities of Seller exceed the present fair saleable value of Seller' assets.

(b) Immediately after giving effect to the consummation of the Contemplated Transactions: (i) Seller will be able to pay its liabilities as they become due in the usual course of its business; (ii) Seller will not have unreasonably small capital with which to conduct its present or proposed business; (iii) Seller will have assets (calculated at fair market value) that exceed its liabilities; and (iv) taking into account all pending and threatened litigation, final judgments against Seller in actions for money damages are not reasonably anticipated to be rendered at a time when, or in amounts such that, Seller will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum probable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered) as well as all other obligations of Seller. The cash available to Seller, after taking into account all other anticipated uses of the cash, will be sufficient to pay all such debts and judgments promptly in accordance with their terms.

Article 5

Representations of Purchaser

Purchaser represents and warrants to Seller and Shareholder, as of the date hereof and as of the Closing as follows:

5.1 Organization and Good Standing. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware with all requisite limited liability company power and authority to carry on the business in which it is engaged, to own, lease, or operate all of the properties and assets it purports to own or use, and to execute and deliver this Agreement and to consummate the Contemplated Transactions. Purchaser is duly qualified to do business and is in good standing as a foreign limited liability company in each jurisdiction in which the nature of its business

or the ownership or use of the properties or assets owned or used by it, or the nature of the activities conducted by it, makes such qualification necessary.

5.2 Authorization and Validity; No Violation.

(a) The execution, delivery and performance of this Agreement and the other Transaction Documents by Purchaser, and the consummation of the Contemplated Transactions, have been unanimously approved and duly authorized by Purchaser. This Agreement and each of the other Transaction Documents have been or will be duly executed and delivered by Purchaser (to the extent Purchaser is a party to each Transaction Document) and constitute, as of the Closing, legal, valid and binding obligations of Purchaser (to the extent Purchaser is a party to each Transaction Document), enforceable against it in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies.

(b) Neither the execution and delivery of this Agreement nor the consummation or performance by Purchaser of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time), contravene, conflict with, or result in a violation of (i) any provision of the Organizational Documents of Purchaser, (ii) any resolution adopted by a member or manager of Purchaser, (iii) any Applicable Legal Requirement to which Purchaser, or any of the assets owned or used by Purchaser, may be subject, or (iv) any of the terms or requirements of, any Permit that is held by Purchaser or that otherwise is granted with respect to the business of, or any of the assets owned or used by, Seller.

5.3 Finder's Fee. Purchaser has not incurred any obligation for any finder's, broker's or agent's fee in connection with this Agreement or any of the agreements contemplated hereby or any of the Contemplated Transactions.

5.4 Consents. Except as set forth on **Schedule 5.4** hereto, to Purchaser's knowledge, no authorization, consent, approval, permit or license of, or filing with, any governmental or public body or authority is required to authorize, or is required in connection with, the execution, delivery and performance of this Agreement or the agreements contemplated hereby on the part of Purchaser.

Article 6
Covenants Prior To Closing

6.1 Business Operations. During the period from the date hereof and continuing through the Closing, except as required by Applicable Legal Requirements or with the prior written consent of Purchaser (such consent not to be unreasonably withheld, conditioned or delayed):

(a) Seller will (i) carry on its business only in the Ordinary Course of Business; (ii) use commercially reasonable efforts to preserve its present business organization and relationships and to seek to obtain all consents and comply with all notices and other contractual requirements that constitute Required Consents; (iii) use commercially reasonable efforts to keep available the present services of its employees; (iv) use commercially reasonable efforts to preserve the goodwill and relations of its customers and others with whom business relationships exist consistent with past practice; (v) not enter into any Contract involving the receipt or payment of any amount in excess of \$10,000, except for purchase orders entered into in the Ordinary Course of Business; (vi) not merge, consolidate, amalgamate, transfer all or substantially all of its assets or engage in any similar transaction; (vii) not acquire, transfer, sell, lease, pledge or encumber any assets (except in the Ordinary Course of Business); (viii) not make or change any Tax election, release, assign, settle

or compromise any Tax liability, dispute or controversy or waive any statute of limitations for any Tax claim or assessment; (ix) not change any accounting principles or practices; (x) not cancel, release, assign, settle or compromise any material claim or litigation; (xi) not amend, modify, accelerate or terminate, as applicable, any Assigned Contract or Permit; (xii) not fail to maintain any assets in at least as good condition as they are being maintained on the date hereof, subject to normal wear and tear; and (xiii) not enter into any agreement or understanding that would materially violate or result in a material violation of any of the foregoing covenants.

(b) Seller shall not adopt, enter into, modify, terminate or amend (except as may be required by Applicable Legal Requirements or permitted under this Agreement) any bonus, profit sharing, compensation, stock option, stock purchase, pension, retirement, deferred compensation, severance, retention, or other Seller Plan, agreement, trust, fund or other plan or arrangement for the benefit or welfare of any manager, officer, independent service provider, consultant or employee or former manager, officer or employee of Seller or increase the compensation or benefits of any employee or former manager, officer or employee of Seller or pay any benefit not required by any existing Seller Plan, arrangement or agreement.

(c) In connection with obtaining the third party consents and other actions required by Section 6.4, at all times prior to the Closing, Seller shall take reasonable steps to keep Purchaser promptly informed of the status of obtaining such third party consents and, upon Purchaser's request, make available to Purchaser copies of all such executed third party consents and any related materials and other records relating to the third party consent process. In connection with obtaining the third party consents required by Section 6.4, Purchaser shall draft the form of consent to be used by Seller to obtain consent, and Seller shall have the right to approve such form, such approval not to be unreasonably withheld, conditioned or delayed.

6.2 Inspection and Access. Between the date hereof and the Closing Date, subject to Applicable Legal Requirements relating to the exchange of information, Seller will (a) permit Purchaser and its officers, attorneys, accountants, and representatives ("Purchaser's Advisors") on a reasonable basis free, full, and complete access to, and make available for inspection, all of the assets of Seller, as well as Seller's key employees, customers, and furnish Purchaser copies of all contracts, correspondence, documents, books, records, tax returns, and information with respect to the affairs of Seller as Purchaser and its representatives may reasonably request and (b) as soon as is available and in any event within thirty (30) days after the end of each calendar month, furnish Purchaser and the Purchaser's Advisors with an unaudited consolidated balance sheet of Seller as at such calendar month end and the related unaudited consolidated statements of income, changes in shareholders' equity and cash flow for such calendar month.

6.3 Notice of Developments and Breach. Seller will promptly inform Purchaser in writing of any material adverse development in (a) the Business, (b) the Purchased Assets and/or (c) the financial condition of Seller. Seller will, upon becoming aware thereof, give detailed written notice to Purchaser of the occurrence of, or the impending or Threatened occurrence of, any event which would cause or constitute a Breach, or would have caused or constituted a Breach had such event occurred or Seller or Shareholder had Knowledge of prior to the date of this Agreement, of any of Seller's covenants, agreements, representations or warranties contained or referred to herein or in any document delivered in accordance with the terms hereof.

6.4 Approvals of Third Parties. Seller will use its commercially reasonable efforts to secure as soon as practicable all necessary approvals and consents of third parties to the consummation of the Contemplated Transactions.

6.5 Hiring Employees. Seller will cooperate with all requests made by Purchaser for the purpose of allowing Purchaser to hire those employees of Seller designated by Purchaser, such employment to be effective as of the Closing Date; *provided, however*, that nothing in this Section 6.5 and no actions pursuant to this Section 6.5 will require Purchaser to hire any employee of Seller.

6.6 Booking of Business. Seller shall continue to market the Business and accept Bookings for the Business in the Ordinary Course of Business.

6.7 No Negotiation. Until such time, if any, as this Agreement is terminated pursuant to Article 10, Seller shall not, and shall cause each of their respective representatives and Affiliates not to, directly or indirectly, solicit, initiate or encourage any inquiries or proposals or offers from, discuss or negotiate with, provide any non-public information to, enter into any letter of intent or agreement in principle with any Third Party, or consider the merits of any unsolicited inquiries or proposals from, any Person (other than Purchaser or its Affiliates) relating to any direct or indirect transaction involving the sale of the business or assets or equity interests of Seller, or any merger, consolidation, business combination or similar transaction involving Seller.

6.8 Additional Agreements. Subject to the terms and conditions provided in this Agreement, each of the parties hereto agrees to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Contemplated Transactions and to cooperate with one another in connection with the foregoing, in each case at the expense of the requesting party.

6.9 Obligation to Update Schedules. No later than three (3) Business Days prior to the Closing Date, Seller and Shareholder shall update and supplement the Schedules attached to this Agreement, as necessary to reflect any changes to the matters set forth in such Schedules from the date hereof through the Closing (the "Updated Schedules").

6.10 Intentionally Omitted.

6.11 PPP Covenants.

(a) Seller and its Affiliates shall (i) use all of the proceeds of the PPP Loan exclusively for CARES Act Forgivable Uses in the manner required under the CARES Act to obtain forgiveness of the largest possible amount of the PPP Loan, which as of the date hereof requires that Seller and its Affiliates use not less than 60% of the PPP Loan proceeds for CARES Payroll Costs and (ii) take all commercially reasonable steps to have the PPP Loan forgiven pursuant to the CARES Act and use commercially reasonable efforts to conduct their business in a manner that maximizes the amount of the PPP Loan that is forgiven.

(b) Seller and its Affiliates shall (i) maintain all records required to be submitted and maintained in connection with the forgiveness of the PPP Loan for a period of no less than six (6) years and (ii) apply for forgiveness of the PPP Loan in accordance with regulations implementing Section 1106 of the CARES Act as promptly as practicable, but in no event later than 30 days after (1) the last day of the eight week period immediately following the date on which the PPP Loan was disbursed or (2) such alternate eight week period permitted pursuant to the PPP Loan Forgiveness Application and related guidance.

Article 7 Conditions to the Obligations of Purchaser

The obligations of Purchaser to consummate the Contemplated Transactions are subject to the fulfillment, to the reasonable satisfaction of Purchaser, on or prior to the Closing Date, of each of the following conditions precedent; *provided, however*, that any of such conditions precedent may be waived by Purchaser on or prior to the Closing Date. If the Closing does not occur as a result of the failure of any of the following conditions precedent, then Purchaser will not have any liability to Seller or Shareholder, except as provided in this Agreement.

7.1 Representations and Warranties. All of the representations and warranties of Seller and the Shareholder in **Article 4** of this Agreement (considered collectively), and each of such representations and warranties (considered individually), must have been (a) true and correct (in the case of any representation or warranty qualified by materiality) or (b) true and correct in all material respects (in the case of any representation or warranty not qualified by materiality), in each case (i) as of the date of this Agreement and as of the Closing Date (except those representations or warranties that specifically refer to an applicable date in which case such representation or warranty shall be true and correct as of such date) and (ii) without giving effect to the Updated Schedules delivered to Purchaser.

7.2 Covenants. Seller and Shareholder shall have performed and complied in all material respects with all covenants or conditions required by this Agreement to be performed and complied with by Seller and Shareholder prior to the Closing.

7.3 No Material Adverse Effect. Since the date of this Agreement, Seller must not have suffered any Material Adverse Effect, and no event will have occurred, and no circumstance will exist, that could reasonably result in a Material Adverse Effect.

7.4 Bring Down Certificate. Purchaser must have received a certificate executed by Seller and the Shareholder confirming (a) the accuracy of its representations and warranties as of the Closing Date to the extent provided in **Section 7.1**, (b) the performance of and compliance with its covenants and obligations to be performed or complied with at or prior to the Closing to the extent provided in **Section 7.2**, and (c) there has been no Material Adverse Effect.

7.5 Required Consents and Permits. The parties hereto shall have obtained the Required Consents set forth on **Schedule 7.5**, each in form and substance reasonably satisfactory to Purchaser. Additionally, the parties must have received the Permits set forth on **Schedule 7.5**, each in form and substance reasonably satisfactory to Purchaser.

7.6 PPP Condition. Seller shall have received from the SBA and/or the Lender a written approval of the Contemplated Transactions in form and substance satisfactory to Purchaser (the "**SBA/Lender Approval**").

7.7 Employment Agreements. Purchaser and the individuals set forth on **Schedule 7.7** attached hereto shall have entered into employment agreements with non-compete provisions in substantially the form attached hereto as **Exhibit B** (the "**Employment Agreements**").

7.8 Lease Agreements. Purchaser shall have entered into a one-year lease agreement in substantially the form attached hereto as **Exhibit C**, for the real property located at 28368 Constellation Road, Suite 380, Valencia, CA 91355, consistent with the lease expenses reflected in the Seller's Financial Statements (the "**Lease Agreement**").

7.9 Delivery of Purchased Assets; Execution and Delivery of Documents. Seller shall have delivered the Purchased Assets to Purchaser free and clear of all Liens other than Permitted Liens, and Seller and Shareholder shall have executed and delivered all other documents required to be delivered by Seller and Shareholder pursuant to **Section 9.2** hereof.

7.10 Proceedings. No Proceeding or Order by any court or Governmental Authority or agency has been Threatened in writing, asserted, instituted or entered to restrain or prohibit the carrying out of the Contemplated Transactions, and no Legal Requirement shall have been promulgated or enforced by any Governmental Authority that, in any case, prohibits or make illegal any of the Contemplated Transactions.

7.11 Intentionally Omitted.

7.12 Seller's Updated Schedules. All changes, additions and deletions reflected in the Updated Schedules must be acceptable to Purchaser, in Purchaser's sole discretion.

7.13 Assigned Contract and Permits Consents. Seller shall have obtained the necessary Required Consents to successfully transfer in full at least 75% of the aggregate value allocated to the Assigned Contracts and Permits set forth on Exhibit G.

7.14 Other Actions. Seller and Shareholder shall have executed and delivered such other documents and instruments and taken such other actions as Purchaser may reasonably request in order to carry out the Contemplated Transactions.

Article 8

Conditions to the Obligations of Seller and Shareholder

The obligations of Seller and Shareholder to consummate the Contemplated Transactions are subject to the fulfillment, to the reasonable satisfaction of Seller and Shareholder, on or prior to the Closing Date, of each of the following conditions precedent; *provided, however*, that any of such conditions precedent may be waived by Seller and Shareholder on or prior to the Closing Date. If the Closing does not occur as a result of the failure of any of the following conditions precedent, then Seller and Shareholder will not have any liability to Purchaser, except as provided in this Agreement.

8.1 Representations and Warranties. All of Purchaser's representations and warranties in **Article 5** of this Agreement (considered collectively), and each of such representations and warranties (considered individually), must have been true and correct in all material respects as of the date of this Agreement and as of the Closing Date, except those representations or warranties that specifically refer to an applicable date in which case such representation or warranty shall be true and correct as of such date.

8.2 Covenants. Purchaser shall have performed and complied in all material respects with all covenants or conditions required by this Agreement to be performed and complied with by Purchaser prior to the Closing.

8.3 Proceedings. No Proceeding or Order by any court or Governmental Authority or agency has been Threatened in writing, asserted, instituted or entered to restrain or prohibit the carrying out of the Contemplated Transactions, and no Legal Requirement shall have been promulgated or enforced by any Governmental Authority that, in any case, prohibits or make illegal any of the Contemplated Transactions.

8.4 Employment Agreements. Purchaser shall have entered into the Employment Agreements.

Article 9
Documents to be Delivered at Closing

9.1 Condition Precedent. Each party's obligation to consummate the Contemplated Transactions is conditioned on the delivery to such party of each of the documents listed in this Article 9, unless such delivery is expressly waived by such party in writing.

9.2 Documents Delivered by Seller and Shareholder. Seller and Shareholder, as the case may be, shall deliver the following documents to Purchaser on the Closing Date, each in form and substance satisfactory to Purchaser:

(a) Consents. The Required Consents set forth on **Schedule 7.5**, duly executed by such third parties;

(b) Updated Schedules. The Updated Schedules, certified as true and correct by duly authorized officers of Seller;

(c) Bill of Sale. A bill of sale conveying the Fixed Assets, Accounts Receivable and all other personal property not otherwise included in any other conveyance document, duly executed by authorized officers of Seller (the "**Bill of Sale**"), in substantially the form attached hereto as **Exhibit D**;

(d) Assignment and Assumption Agreement. An assignment and assumption agreement conveying the Prepaid Expenses, Assigned Contracts, Trade Rights, Intellectual Property, Software, Permits and Records to Purchaser, and pursuant to which Purchaser will assume the Assumed Liabilities, duly executed by authorized officers of Seller (the "**Assignment and Assumption Agreement**"), in substantially the form attached hereto as **Exhibit E**;

(e) Escrow Agreement. One or more escrow agreements, to be mutually agreed upon by Purchaser and Seller (collectively, the "**Escrow Agreement**"), duly executed by Seller, Purchaser and the Escrow Agent;

(f) Lease Agreement. The Lease Agreement, duly executed by C. Roberts.

(g) Employment Agreements. Each Employment Agreement, duly executed by C. Roberts, T. Roberts, Trevor Bolls, and Megan Hozinsky, as applicable;

(h) UCC Termination Statements. All UCC termination statements or other Lien release documents necessary to evidence the transfer of good and marketable title to all of the Purchased Assets to Purchaser, duly executed by such secured parties;

(i) Secretary's Certificate. A certificate of the Secretary of Seller, dated as of the Closing Date, in form and substance satisfactory to Purchaser: (a) certifying as to the resolutions of the board of directors and stockholders of Seller authorizing the execution and performance of each of the Transaction Documents to which it is a party and each of the Contemplated Transactions and (b) attesting to the incumbency and signatures of the officers of Seller;

(j) Certificate of Good Standing. A Certificate of Good Standing of Seller, issued by the Secretary of State of the jurisdiction of its organization, as of a date not more than ten (10) days prior to the Closing Date;

(k) Booking and Advance Deposits. A list of all outstanding Bookings and Advance Deposits, as of the Closing Date, if any;

(l) Certificates of Title. Certificates of title to each of the vehicles, boats and other titled assets included in the Fixed Assets, duly executed by an authorized officer of Seller, sufficient to vest title to such assets in Purchaser without any further action of Purchaser; and

(m) Other. Such other documents and instruments as Purchaser may reasonably require for the consummation of the Contemplated Transactions.

9.3 Documents Delivered by Purchaser. Purchaser shall deliver the following documents to Seller and/or Shareholder on the Closing Date, each in form and substance satisfactory to Purchaser:

(a) Bill of Sale. A counterpart to the Bill of Sale, duly executed by an authorized officer of Purchaser;

(b) Assignment and Assumption Agreement. A counterpart to the Assignment and Assumption Agreement, duly executed by an authorized officer of Purchaser;

(c) Escrow Agreement. A counterpart to the Escrow Agreement duly executed by an authorized officer of Purchaser;

(d) Lease Agreement. A counterpart to the Lease Agreement, duly executed by an authorized officer of Purchaser;

(e) Employment Agreements. A counterpart to each Employment Agreement, duly executed by an authorized officer of Purchaser;

(f) Secretary's Certificate. A certificate of the Secretary of Purchaser, dated as of the Closing Date, in form and substance satisfactory to Seller and Purchaser: (a) certifying as to the resolutions of the managers and members of Purchaser authorizing the execution and performance of each of the Transaction Documents to which it is a party and each of the Contemplated Transactions and (b) attesting to the incumbency and signatures of the officers of Purchaser; and

(g) Certificate of Good Standing. A Certificate of Good Standing of Purchaser, issued by the Secretary of State of the jurisdiction of its incorporation, as of a date not more than ten (10) days prior to the Closing Date.

Article 10 Termination

10.1 Termination Events. Subject to **Section 10.2**, by notice given prior to or at the Closing, this Agreement may be terminated as follows:

(a) by mutual consent of Purchaser and Seller;

(b) by Purchaser if a material Breach of any provision of this Agreement has been committed by either Seller or the Shareholder which is not cured within ten (10) days from date of notice;

(c) by Seller if a material Breach of any provision of this Agreement has been committed by Purchaser which is not cured within ten (10) days from date of notice;

(d) by Purchaser if satisfaction of any condition in Article 7 by May 31, 2021 or such later date as the parties may agree upon (the "End Date") becomes impossible (other than through the failure of Purchaser to comply with its obligations under this Agreement);

(e) by Seller if satisfaction of any condition in Article 8 by the End Date becomes impossible (other than through the failure of Seller to comply with its obligations under this Agreement);

(f) by Purchaser if the Closing has not occurred on or before the End Date, unless Purchaser is in material Breach of this Agreement; or

(g) by Seller if the Closing has not occurred on or before the End Date, unless Seller is in material Breach of this Agreement.

10.2 Effect of Termination. Each party's right of termination under Section 10.1 is in addition to any other right it may have under this Agreement (including under Section 13.13) or otherwise, and the exercise of a party's right of termination will not constitute an election of remedies. If this Agreement is terminated pursuant to Section 10.1, this Agreement will be of no further force or effect; provided, however, that (a) this Section 10.2 and Article 13 will survive the termination of this Agreement and will remain in full force and effect, and (b) the termination of this Agreement will not relieve any party from any liability for any Breach of this Agreement occurring prior to termination.

Article 11

Covenants After the Closing

11.1 Further Assurances. Seller hereby covenants and agrees that from and after the Closing Date, Seller shall, at its expense, execute and deliver to Purchaser all such deeds, conveyances, bills of sale, assurances, transfers, assignments and consents, approvals, agreements and contracts and any other documents, and shall cooperate fully with Purchaser and do all such other things, as may be reasonably necessary to (i) effectively transfer the Purchased Assets to, and to perfect and confirm the title and ownership of the Purchased Assets by, Purchaser, (ii) effectuate the transfer of the Business to Purchaser, in each case as reasonably requested by Purchaser, and (iii) deliver the Bids to Purchaser.

11.2 Sales Tax. Seller shall timely prepare and file all returns and reports in respect of such sales, use, vehicle and boat registration, and transfer taxes resulting from the sale of the Business, and shall pay the appropriate tax amounts to the appropriate taxing authorities. Purchaser shall reimburse Seller fifty percent (50%) of such taxes (but not interest, penalties or other similar amounts) paid, promptly upon presentation of reasonably sufficient documentation, provided that, Seller's portion of such taxes (but not interest, penalties or other similar amounts) shall not exceed \$35,000.

11.3 Seller's Name Change. As soon as practicable after the Closing (and in any event within 10 days after the Closing), Seller, at Seller's sole cost, shall change Seller's name to a name dissimilar to its current name or any variation thereof.

11.4 Responsibility of Former Employer.

(a) Seller shall make full and final settlements with all of its employees as of the Closing with respect to all liabilities and obligations relating to their employment with Seller.

(b) Seller will be and remain solely responsible for all wages, incentives, bonuses, commissions and all benefits under all Seller Plans and similar arrangements in effect or covering one or more employees or retired, disabled or other former employees, including dependents and beneficiaries, as of or prior to the Closing, including any termination, severance or separation benefits, including COBRA continuation rights, if any, and including all covered claims and expenses, rights to reimbursement and benefits claims incurred or arising out of events or conditions existing or occurring as of or prior to the Closing, even though such expenses, claims or rights continue or arise after the Closing. Purchaser will have no obligations for any such claims and Seller and Shareholder shall indemnify and hold harmless Purchaser from any claims therefor.

(c) If, at or following the Closing, Purchaser elects to employ any employee, or former employee, of Seller, Purchaser will have no liability or responsibility to such person for any compensation, benefits, or obligations of Seller to such person.

11.5 Noncompetition, Nonsolicitation, and Nondisparagement.

(a) From and after the Closing Date, neither Seller nor Shareholder will, at any time, disclose to any Person or use for its/his own account or for the benefit of any Person any Proprietary Information. Seller shall deliver to Purchaser at the time of execution of this Agreement, and at any other time Purchaser may request, all documents, memoranda, notes, plans, Records, reports, and other documentation, models, components, devices, or Software, whether embodied in a disk or in other form (and all copies of all of the foregoing), relating to the Business and any other Proprietary Information that Seller or Shareholder may then possess or have under any of their control.

(b) For a period of five (5) years after the Closing Date:

(i) Neither Seller nor Shareholder shall, directly or indirectly, engage, invest in, own, manage, operate, finance, control, advise, render services to, guarantee the obligations of, be employed by, be associated with, or in any manner be connected with any Person engaged in the Business, West of the Mississippi river; provided, however, that Seller and Shareholder may acquire or otherwise own less than 5% of the outstanding capital stock of a Person that is listed on any national securities exchange.

(ii) Neither Seller nor Shareholder shall, directly or indirectly, (A) cause, induce, or attempt to cause or induce any employee, agent, or independent contractor of Purchaser to terminate such relationship; (B) in any way interfere with the relationship between Purchaser and any of its employees, agents, or independent contractors; or (C) hire, retain, employ, or otherwise engage or attempt to hire, retain, employ, or otherwise engage as an employee, independent contractor, or otherwise, any employee, agent, or independent contractor of Purchaser.

(iii) Neither Seller nor Shareholder shall, directly or indirectly, (A) solicit, induce, or otherwise cause, or attempt to solicit, induce, or otherwise cause, any customer, supplier, licensor, licensee, or any prospective customers, supplier, licensor, or licensee that has been contacted or targeted for contact by any Seller on or before the Closing Date, or any other person engaged in a business relationship with Seller, to (1) terminate, curtail, or otherwise modify its relationship with Purchaser or (2) engage in business with a competitor of Purchaser, or (B) interfere in any way with the relationship between Purchaser and any of its customers, suppliers, licensors, licensees, or any such prospective

customers, suppliers, licensors, or licensees, or any other Person engaged in a business relationship with Purchaser.

(c) Neither Seller nor Shareholder shall make any disparaging statement, either orally or in writing, regarding Purchaser or the business, products, or services thereof, or any of Purchaser's members, managers, officers, employees, or agents.

(d) Seller agrees that this **Section 11.5**, including the provisions relating to duration, geographical area, and scope, is reasonable and necessary to protect and preserve Purchaser's legitimate business interests and the value of the Purchased Assets, and to prevent an unfair advantage from being conferred on Seller or Shareholder

(e) If any provision of this **Section 11.5** would be held to be excessively broad as to duration, geographical area, scope, activity, or subject, for any reason, such provision shall be modified, by limiting and reducing it, so as to be enforceable to the extent allowed by Applicable Legal Requirements.

Seller and Shareholder each acknowledge that any Breach of this **Section 11.5** would result in serious and irreparable injury to Purchaser, Purchaser could not be adequately compensated by monetary damages alone, and Purchaser's remedy at law would not be adequate. Therefore, Seller and Shareholder acknowledge and agree that, in the event of a Breach by either Seller or Shareholder, Purchaser shall be entitled, in addition to any other remedy at law or in equity to which Purchaser may be entitled, to equitable relief against Seller or Shareholder, as applicable, including temporary restraining orders and preliminary and permanent injunctions to restrain Seller or Shareholder, as applicable, from such Breach and to compel compliance with the obligations of Seller or Shareholder, as applicable, and Seller and Shareholder each waive the posting of a bond or undertaking as a condition to such relief.

11.6 Purchaser Non-Disparagement. Neither Purchaser nor its Affiliates shall make any disparaging statement, either orally or in writing, regarding Seller or the business, products, or services thereof, or Shareholder.

Article 12

Indemnification

12.1 Survival of Representations and Warranties; Remedies.

(a) Except as set forth in this **Section 12.1**, the representations and warranties contained in this Agreement or in any certificate or other Transaction Document will survive the Closing until the fifteen (15) month anniversary of the Closing Date; provided, however, that the representations and warranties contained in (i) **Section 4.1, 4.2, 4.3, 4.9 and 4.29** (collectively, the "**Fundamental Representations**") will survive indefinitely and (ii) **Sections 4.24, 4.26 and 4.28** will survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation, or extension thereof) plus sixty (60) days. The covenants and agreements contained herein or in any other Transaction Document to be performed or complied with at or after the Closing will survive without limitation as to time (except as provided in such covenant or agreement).

(b) The right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with

respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Damages, or other remedy based on such representations, warranties, covenants, and obligations.

(c) As to any breach of the representations and warranties or any failure to perform or comply with any of the covenants and agreements contained herein or in any other Transaction Document that constitutes fraud on the part of the breaching or non-performing party or parties, such representations and warranties and such covenants and agreements will survive the Closing until the expiration of the applicable statutes of limitations and will thereupon expire together with the associated right to indemnification (except to the extent a written notice asserting a claim for breach thereof is delivered to Seller and Shareholder or Purchaser, as the case may be, before such expiration).

12.2 Seller and Shareholder Indemnity. Subject to the terms and conditions of this **Article 12**, Seller and Shareholder shall, jointly and severally, indemnify, defend and hold harmless Purchaser, and its members, officers, managers, agents, attorneys and Affiliates (collectively, the **"Purchaser Indemnified Persons"**) from and against, and shall pay to Purchaser Indemnified Persons the amount of, or reimburse Purchaser Indemnified Persons for, any Damage that any Purchaser Indemnified Person may suffer, sustain, or become subject to, as a result of, in connection with, or relating to:

(a) any Breach of any representation or warranty made by any Seller or Shareholder in this Agreement as of the date of this Agreement (without giving effect to the Updated Schedules) or any certificate delivered by any Seller in accordance with this Agreement;

(b) any Breach of any representation or warranty made by any Seller or Shareholder in this Agreement as if such representation or warranty were made on and as of the Closing Date after giving effect to the Updated Schedules;

(c) any Breach of any covenant or obligation of any Seller or Shareholder in this Agreement or in any certificate, document, or other writing delivered by any Seller or Shareholder pursuant to this Agreement;

(d) (i) any Taxes of Seller relating to periods on or prior to the Closing Date, and (ii) any liability of Seller for Taxes of any other Person, as a transferee or successor, by contract or otherwise;

(e) Any claim for severance pay, vacation pay, sick pay, bonus pay or any other remuneration as a result of the transfer of the Business, including, but not limited to, any claim made by former employees of Seller subsequently hired by Purchaser;

(f) Any liability or obligation (i) under any PPP Loan, or (ii) arising out of any noncompliance by any of Seller, Shareholder, or their Affiliates with the CARES Act or any loan or other contract or document pursuant thereto (including, without limitation, any ineligibility, breach, or improper use of funds or proceeds pursuant to a PPP Loan), or any audit, investigation or Proceeding resulting from participation in the Paycheck Protection Program pursuant to the CARES Act;

(g) Any obligation or liability under or related to any Seller Plan or the termination of or failure to properly terminate such Seller Plan;

- (h) Any Excluded Asset or Excluded Liability;
- (i) Any claim arising out of or relating to the employment or termination of employees by Seller before the Closing Date or in connection with the Contemplated Transactions or brought by or on behalf of employees arising out of or attributable to events occurring before the Closing Date;
- (j) Any claim or liability based upon, resulting from, or arising out of the business, operations, properties, assets, or obligations of Seller, Shareholder, or any Affiliates of the Seller conducted, existing, or arising on or prior to the Closing Date, whether any such claim or liability is asserted before or after the Closing;
- (k) Any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such Person with either Seller or Shareholder (or any Person acting on their behalf) in connection with any of the Contemplated Transactions; or
- (l) Notwithstanding the generality of Section 12.2(j), any liability or obligation relating to or arising out of (i) Penny Brewer, individually and on behalf of all similarly situated employees v. Pyramid Enterprises, Inc., Superior Court of California for the County of San Diego, Case No. 37-2020-00028336-CU-OE-CTL (the "**Class Action Lawsuit**"), or (ii) Benjamin Pexton v. United State of America and Pyramid Enterprises, Inc. d/b/a Rocky Mountain Recreation Co., United States District Court for the District of Colorado, Civil Action No. 20-cv-01071-RM-NRN (the "**Hazard Tree Lawsuit**").

12.3 **Purchaser's Indemnity.** Subject to the terms and conditions of this **Article 12**, Purchaser shall indemnify, defend and hold harmless Seller, Shareholder, and Seller's officers, managers, agents, attorneys and Affiliates (collectively, the "**Seller Indemnified Persons**") from and against, and shall pay to Seller Indemnified Persons the amount of, or reimburse Seller Indemnified Persons for, any Damage that any Seller Indemnified Person may suffer, sustain, or become subject to, as a result of, in connection with, or relating to:

- (a) any Breach of any representation or warranty made by Purchaser in this Agreement or any certificate delivered by Purchaser in accordance with this Agreement;
- (b) any Breach of any covenant or obligation of Purchaser in this Agreement or in any certificate, document, or other writing delivered by Purchaser pursuant to this Agreement;
- (c) any Assumed Liability; or
- (d) Any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such Person with Purchaser (or any Person acting on their behalf) in connection with any of the Contemplated Transactions.

12.4 **Limitations on Indemnity.**

- (a) Seller and Shareholder will have no liability under **Section 12.2(a)** or **Section 12.2(b)** until the total of all Damages with respect to such matters exceeds \$85,000 (the "**Basket**"), in which case Seller and Shareholder shall be obligated to indemnify, defend and hold harmless the Purchaser Indemnified Persons for all Damages in excess of the Basket; provided, however, that

the Basket shall not apply to Damages relating to any (i) Breach of any of the Fundamental Representations, (ii) Breach of any of representations and warranties of Seller and Shareholder of which any Seller or Shareholder had Knowledge at any time prior to the date on which such representation and warranty is made, (iii) intentional Breach by Seller or Shareholder of any covenant or obligation, or (iv) any fraud on the part of Seller or Shareholder. The Seller's liability for Damages under **Sections 12.2(a) and 12.2(b)** shall not exceed \$850,000 (the "**Seller Indemnity Cap**"); provided, however, that the Seller Indemnity Cap shall not apply to Damages relating to any (i) Breach of any of the Fundamental Representations, (ii) Breach of any of representations and warranties of Seller or Shareholder of which any Seller or Shareholder had Knowledge at any time prior to the date on which such representation and warranty is made, (iii) intentional Breach by Seller or Shareholder of any covenant or obligation, or (iv) any fraud on the part of Seller or Shareholder.

(b) Purchaser will have no liability under **Section 12.3(a)** until the total of all Damages with respect to such matters exceeds the Basket, in which case Purchaser shall be obligated to indemnify, defend and hold harmless the Seller Indemnified Persons for all Damages in excess of the Basket; provided, however, that the Basket shall not apply to Damages relating to any (i) Breach of any of the Fundamental Representations, (ii) Breach of any of representations and warranties of Purchaser of which Purchaser had knowledge at any time prior to the date on which such representation and warranty is made, (iii) intentional Breach by Purchaser of any covenant or obligation, or (iv) any fraud on the part of Purchaser. Purchaser's liability for Damages under **Section 12.3(a)** shall not exceed \$850,000 (the "**Purchaser Indemnity Cap**"); provided, however, that the Purchaser Indemnity Cap shall not apply to Damages relating to any (i) Breach of any of representations and warranties of Purchaser of which Purchaser had knowledge at any time prior to the date on which such representation and warranty is made, (ii) intentional Breach by Purchaser of any covenant or obligation, or (iii) any fraud on the part of Purchaser.

12.5 Third-Party Claims.

(a) A Person benefited by **Section 12.2** or **Section 12.3** (an "**Indemnified Person**") shall give notice of the assertion of a Third-Party Claim to Seller or Purchaser (an "**Indemnifying Person**"), as the case may be; provided, however, that no failure or delay on the part of an Indemnified Person in notifying an Indemnifying Person will relieve the Indemnifying Person from any obligation under this **Article 12** except to the extent that the failure or delay materially prejudices the defense of the Third-Party Claim by the Indemnifying Person.

(b) Except as provided in **Section 12.5(c)**, the Indemnifying Person may elect to assume the defense of the Third-Party Claim with counsel reasonably satisfactory to the Indemnified Person by (i) giving notice to the Indemnified Person of its election to assume the defense of the Third-Party Claim and (ii) giving the Indemnified Person evidence acceptable to the Indemnified Person that the Indemnifying Person has adequate financial resources to defend against the Third-Party Claim and fulfill its obligations under this **Article 12**, in each case no later than 10 days after the Indemnified Person gives notice of the assertion of a Third-Party Claim under **Section 12.5(a)**.

(i) If the Indemnifying Person elects to assume the defense of a Third-Party Claim:

(A) it shall diligently conduct the defense and, so long as it diligently conducts the defense, shall not be liable to the Indemnified Person for any

Indemnified Person's fees or expenses subsequently incurred in connection with the defense of the Third Party Claim other than reasonable costs of investigation;

(B) the election will conclusively establish for purposes of this Agreement that the Indemnified Person is entitled to relief under this Agreement for any Damage arising, directly or indirectly, from or in connection with the Third-Party Claim (subject to the provisions of **Section 12.4**);

(C) no compromise or settlement of such Third-Party Claim may be effected by the Indemnifying Person without the Indemnified Person's consent unless (I) there is no finding or admission of any violation by the Indemnified Person of any Applicable Legal Requirement or any rights of any Person, (II) the Indemnified Person receives a full release of and from any other claims that may be made against the Indemnified Person by the Third Party bringing the Third-Party Claim, and (III) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and

(D) the Indemnifying Person shall have no liability with respect to any compromise or settlement of such claims effected without its consent.

(ii) If the Indemnifying Person does not assume the defense of a Third-Party Claim in the manner and within the period provided in **Section 12.5(b)**, or if the Indemnifying Person does not diligently conduct the defense of a Third-Party Claim, the Indemnified Person may conduct the defense of the Third-Party Claim at the expense of the Indemnifying Person and the Indemnifying Person shall be bound by any determination resulting from such Third-Party Claim or any compromise or settlement effected by the Indemnified Person.

(c) Notwithstanding the foregoing, if an Indemnified Person determines in good faith that there is a reasonable probability that a Third-Party Claim may adversely affect it or any of its Affiliates other than as a result of monetary damages for which it would be entitled to relief under this Agreement, the Indemnified Person may, by notice to the Indemnifying Person, assume the exclusive right to defend, compromise, or settle such Third-Party Claim.

(d) Seller and Shareholder consent to the nonexclusive jurisdiction of any court in which a Proceeding is brought against any Indemnified Person for purposes of determining any claim that an Indemnified Person may have under this Agreement with respect to such Proceeding or the matters alleged therein.

(e) With respect to any Third-Party Claim subject to this **Article 12**:

(i) any Indemnified Person and any Indemnifying Person, as the case may be, shall keep the other Person fully informed of the status of such Third-Party Claim and any related Proceeding at all stages thereof where such Person is not represented by its own counsel; and

(ii) both the Indemnified Person and the Indemnifying Person, as the case may be, shall render to each other such assistance as they may reasonably require of each other and shall cooperate in good faith with each other in order to ensure the proper and adequate defense of any Third-Party Claim.

(f) With respect to any Third-Party Claim subject to this **Article 12**, the parties shall cooperate in a manner to preserve in full (to the extent possible) the confidentiality of all Confidential Information and the attorney-client and work-product privileges. In connection therewith, each party agrees that:

(i) it shall use its best efforts, in respect of any Third-Party Claim in which it has assumed or participated in the defense, to avoid production of Confidential Information (consistent with applicable law and rules of procedure); and

(ii) all communications between any party and counsel responsible for or participating in the defense of any Third-Party Claim shall, to the extent possible, be made so as to preserve any applicable attorney-client or work-product privilege.

(g) Any claim under this **Article 12** for any matter involving a Third-Party Claim shall be indemnified, paid, or reimbursed promptly. If the Indemnified Person shall for any reason assume the defense of a Third-Party Claim, the Indemnifying Person shall reimburse the Indemnified Person on a monthly basis for the costs of investigation and the reasonable fees and expenses of counsel retained by the Indemnified Person.

12.6 Other Claims. A claim under this **Article 12** for any matter not involving a Third-Party Claim may be made by notice to Seller or Purchaser, as the case may be, and shall be indemnified, paid, or reimbursed promptly after such notice.

12.7 Exclusive Remedy. If the Closing occurs, except for disputes under **Section 3.4**, the indemnification provided in this **Article 12** will be the sole and exclusive legal remedy for any inaccuracy of any representation or warranty, or the Breach or default of or under any covenant or agreement, made by any party in this Agreement or in any other Transactional Documents, and no party may seek any other legal remedy that might otherwise be available to such party; provided, however, that nothing in this **Article 12** will preclude any party from seeking any legal remedy available to such party for any such inaccuracy, Breach or default that constitutes fraud on the part of any other party; and provided further, however, that nothing in this **Article 12** will preclude any party from seeking any equitable remedy available to such party for any such inaccuracy, Breach or default or for any failure by any other party to comply with any of the covenants or agreements of such other party contained herein or in any Transactional Document to be performed or complied with after the Closing.

12.8 Manner of Payment; Escrow Release.

(a) Any indemnification payment pursuant to this **Article 12** shall be effected by wire transfer of immediately available funds to an account designated by Seller or Purchaser, as the case may be, within five (5) Business Days after the determination of the amount thereof, whether pursuant to a final judgment, settlement or agreement among the Parties; provided, that, to the extent that all or any portion of any indemnification payment to be made to any Purchaser Indemnified Persons is to be satisfied through funds that remain available in the Working Capital and Indemnification Escrow Account, Sellers and Purchaser shall, within five (5) Business Days after the determination of the amount thereof, deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to release the appropriate portion of the funds in the Working Capital and Indemnification Escrow Account to an account designated by Purchaser.

(b) Subject to the terms and conditions of this Agreement and the Escrow Agreement, within ten (10) Business Days following the date which is fifteen (15) months after the Closing Date (the "**Working Capital and Indemnification Escrow Release Date**"), Seller and Purchaser

shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to release to Seller (a) any funds remaining in the Working Capital and Indemnification Escrow Account as of the Working Capital and Indemnification Escrow Release Date (if any) minus (b) the aggregate amount of all unresolved (or resolved but unpaid) indemnification claims under this Article 12 asserted by the Purchaser Indemnified Persons in accordance with this Article 12 as of the Working Capital and Indemnification Escrow Release Date.

(c) Purchaser has no objection to Seller agreeing with its lender and the applicable Escrow Agent that, within ten (10) Business Days following receipt of notice of forgiveness of any portion of the PPP loans, an amount equal to the amount of such forgiveness shall be released to Seller from the PPP Loan Escrow Account portion of the Escrow Agreement. Within ten (10) Business Days following the transfer in full of a Liquor License to Purchaser, an amount equal to \$5,000 shall be released to Seller from the Liquor License Escrow Account (up to an aggregate amount of \$35,000). Within ten (10) Business Days following the date which is eight (8) months after the Closing Date, Seller and Purchaser shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to release to Purchaser any funds remaining in the Liquor License Escrow Account.

12.9 Right of Set-off. To the extent that any amounts are owing from Seller to Purchaser under this Article 12, Purchaser may set off such amounts against amounts owed to Seller or Shareholder under any of the Transaction Documents or otherwise; provided, that, notwithstanding the foregoing, in the event that Seller or Shareholder dispute that an amount is due to Purchaser under this Article 12, then Purchaser shall hold the disputed amount until the subject parties mutually agree as to the disposition thereof or until their respective rights in and to the disputed amount have been finally determined, by a final court or arbitral order (without any further right to appeal), or by mutual written agreement, and such holding of the disputed amount by Purchaser shall not be a breach of this Agreement.

Article 13 Miscellaneous

13.1 Confidentiality.

(a) This Agreement, the Contemplated Transactions and all information disclosed pursuant to **Section 6.2** hereof shall be subject to the Confidentiality Agreement, regardless of whether a party hereto was an actual signatory to the Confidentiality Agreement; provided, that the Confidentiality Agreement shall automatically terminate at Closing.

(b) Seller and Purchaser shall agree with each other as to the form and substance of any press release related to this Agreement or the Contemplated Transactions; provided, however, that nothing contained herein shall prohibit any party hereto, following notification to the other party hereto if practicable, from making any disclosure required by Applicable Legal Requirements. No party hereto shall issue any press release or make any public statement prior to obtaining the prior written approval of Purchaser and Seller, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, Purchaser and Seller may (i) make any such announcements to any of their respective investors and financing sources or prospective investors and financing sources, as applicable and (ii) disclose publicly, including on any of their respective websites, in any of their respective marketing materials, brochures and industry publications (or, if applicable, any of its Affiliates) the fact that Purchaser has acquired substantially all assets of Seller; provided, however, that such public announcement pursuant to clause (ii) hereof shall not disclose the consideration paid by Purchaser or the valuation of Seller in connection with the Contemplated Transactions.

(c) Seller and Shareholder agree that each party shall (i) not disclose and shall treat and hold as confidential all non-public, proprietary information concerning the business and affairs of Seller in its possession as of or prior to the Closing, including any confidential or proprietary information of any third person in Seller's possession as of or prior to the Closing (collectively, "**Confidential Information**"), and (ii) except as otherwise expressly permitted by this Agreement, refrain from using any Confidential Information in a manner that may adversely impact Purchaser in its operation of the Business. In the event that Seller or Shareholder are requested or required (by Applicable Legal Requirement) to disclose any Confidential Information, to the extent permitted to do so by applicable law, Seller or Shareholder shall notify Purchaser promptly of the request or requirement so Purchaser may seek, at its sole cost and expense, an appropriate protective order or waive compliance with this **Section 13.1(c)**. If, in the absence of a protective order or the receipt of a waiver hereunder, Seller or Shareholder are compelled to disclose any Confidential Information to any tribunal, such party may disclose Confidential Information to the tribunal to the extent required; provided that such party shall cooperate with Purchaser, at the request and sole expense of Purchaser, if Purchaser determines to seek an order or other assurance that confidential treatment shall be accorded to such portion of the Confidential Information required to be disclosed; provided, that, the foregoing shall not be construed to require Seller or Shareholder to undertake litigation or other legal proceedings on behalf of Purchaser or any other Person. Notwithstanding the foregoing, for purposes of this Agreement, Confidential Information shall not include information which (w) is or becomes generally available to the public other than as a result of a disclosure by Seller or Shareholder or any Affiliates or representatives thereof in violation of this Agreement or any other confidentiality obligation to which any of them is bound, (x) becomes known by the receiving party following the Closing from a source that is not Seller or Shareholder; provided that the source of such information was not known by the receiving party to be prohibited from disclosing such information to such party by legal, contractual or fiduciary obligation, (y) is rightfully received following the Closing from a source that is not Purchaser provided that the source of such information was not known by the receiving party to be prohibited from disclosing such information to such party by legal, contractual or fiduciary obligation, or (z) is approved for disclosure or release by written authorization from Purchaser following the Closing. This **Section 13.1(c)** shall not apply to communications by any party hereto to its representatives, counsel, accountants and other professional advisors.

13.2 **Expenses.** Except as otherwise provided herein, all expenses incurred by Purchaser in connection with the negotiations among the parties hereto, and the authorization, preparation, execution, and performance of this Agreement and the Contemplated Transactions will be paid by Purchaser. Except as otherwise provided herein, all expenses incurred by the Seller and Shareholder in connection with the negotiations among the parties hereto, and the authorization, preparation, execution, and performance of this Agreement and the consummation of the Contemplated Transactions will be paid by the Seller and Shareholder, respectively. The fees and expenses of the Escrow Agent will be shared equally by Seller and Purchaser.

13.3 **Notice.** Any notice or communication must be in writing and given by (a) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, (b) depositing same with a national overnight delivery service (e.g., Federal Express or UPS) addressed to the Party to be notified, air bill prepaid for next day delivery, or (c) by delivering the same in person, by fax, or by e-mail (with written confirmation of receipt, such as "return receipt requested" function, return email or written acknowledgment). Such notice will be deemed received on the date on which it is hand-delivered, faxed, or e-mailed, on the next business day following delivery to an overnight delivery service, or on the third business day following the date on which it is so mailed. For purposes of notice, the addresses of the parties shall be as set forth below, or such other address as the parties shall give the others written notice:

If to Seller: Pyramid Enterprises, Inc.
22439 Skylake Place
Santa Clarita, CA 91390
Attn: Chet Roberts

With a copy to: Hansen Seto Keesey
21515 Hawthorne Blvd., Suite 820
Torrance, California 90503
Attn: Richard K Hansen

If to C. Roberts: Chet Roberts
22439 Skylake Place
Santa Clarita, CA 91390

With a copy to: Hansen Seto Keesey
21515 Hawthorne Blvd., Suite 820
Torrance, California 90503
Attn: Richard K Hansen

If to Purchaser: Advenco LLC
Attn: Frank Pikus, President
7400 W 110th St.
Overland Park, KS 66210

With a copy to: Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, Missouri 64112
Attention: William W. Mahood, Esq.

With a copy to: Nolan Capital
58 11th Street
Hermosa Beach, CA 90254
Attention: Peter Nolan

Notice to counsel shall not constitute notice to a party. Any party may change its address for notice by written notice given to the other parties in accordance with this **Section 13.3**.

13.4 Entire Agreement and Modification. This Agreement (along with the Confidentiality Agreement) supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement among the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by all parties hereto.

13.5 Waiver. Neither any failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or any of the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by Applicable Legal Requirements, (a) no claim or right arising out of this Agreement or any of the documents referred to in this Agreement can be waived by a party, in whole or in part, unless made in a writing signed by such party; (b) a waiver given by a party will only be applicable to the specific instance for which it is given; and (c) no notice to or

demand on a party will (i) waive or otherwise affect any obligation of that party or (ii) affect the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

13.6 Schedules. The disclosures in the Schedules must relate only to the representations and warranties in the Section of the Agreement to which they expressly relate and not to any other representation or warranty in this Agreement.

13.7 Assignment; Successors, and No Third-Party Rights. No party may assign, delegate, or otherwise transfer any of their rights or obligations under this Agreement without the written consent of all other parties, and any attempted assignment of this Agreement without such written consent shall be deemed void; provided, however, that without such prior written consent: (a) Purchaser may assign its rights and/or delegate its obligations under this Agreement or any Ancillary Agreement (in whole but not in part) to any Affiliate of Nolan Capital, Inc. so long as Purchaser remains responsible for the performance of each such Affiliate under this Agreement or any such Ancillary Agreement, as applicable; (b) any or all of the rights and interests and/or obligations of Purchaser under this Agreement or any Ancillary Agreement: (i) may be assigned and/or delegated to any purchaser of a substantial portion of the assets of Purchaser or any of its Affiliates; and (ii) may be assigned as a matter of law to the surviving entity in any merger, consolidation, share exchange or reorganization involving Purchaser or any of its Affiliates; and (c) Purchaser and its Affiliates shall be permitted to collaterally assign, at any time and in their sole discretion, their respective rights hereunder to any lender or lenders providing financing to Purchaser or any of its Affiliates (including any agent for any such lender or lenders) or to any assignee or assignees of such lender, lenders or agent. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns.

13.8 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision will be fully severable and this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision never comprised a part hereof; and the remaining provisions hereof will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as part of this Agreement a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

13.9 Article and Section Headings. The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Article" or "Articles" or "Section" or "Sections" refer to the corresponding Article or Articles or Section or Sections, respectively, of this Agreement.

13.10 Governing Law; Jurisdiction; Venue. This Agreement will be governed by the laws of the State of Kansas without regard to conflicts of laws principles. Any Proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement or any Contemplated Transactions shall be brought against any of the parties in the courts of the State of Kansas, County of Johnson, or, if it has or can acquire the jurisdiction, in the United States District Court of Kansas, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such Proceeding and waives any objection to venue laid therein. Process in any Proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

13.11 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE AGREEMENTS CONTEMPLATED HEREBY OR ANY OF THE CONTEMPLATED TRANSACTIONS, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

13.12 Attorneys' Fees. In the event any Proceeding is brought in respect of this Agreement or any of the documents referred to in this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees and other costs incurred in such Proceeding, in addition to any relief to which such party may be entitled.

13.13 Enforcement of Agreement. Seller and Shareholder acknowledge and agree that Purchaser would be irreparably harmed if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any Breach of this Agreement by Seller or Shareholder could not be adequately compensated in all cases by monetary damages alone. Accordingly, Seller and Shareholder agree that, in addition to any other right or remedy to which Purchaser may be entitled at law or in equity, Purchaser shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to obtain temporary, preliminary, and permanent injunctive relief to prevent Breaches or Threatened Breaches, without posting any bond or giving any other undertaking.

13.14 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

13.15 Counterparts and Electronic Signatures.

(a) This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties.

(b) A manual signature on this Agreement or other documents to be delivered pursuant to this Agreement, an image of which shall have been transmitted electronically, will constitute an original signature for all purposes. The delivery of copies of this Agreement or other documents to be delivered pursuant to this Agreement, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Agreement or such other document for all purposes.

13.16 Number and Gender. Whenever the context requires, references in this Agreement to the singular number includes the plural, the plural number includes the singular and words denoting gender include the masculine, feminine and neuter.

13.17 Dispute Resolution. The parties shall attempt to resolve any disputes, controversies, or claims (a "Dispute") arising out of or relating to this Agreement through discussions and negotiations between each other. If a Dispute cannot be resolved amicably between the parties, they will submit such Dispute to non-binding mediation with a mediator mutually acceptable to all parties. It is understood that

such mediation is to be held as soon as practical after the attempt to resolve such Dispute has failed. Any such mediation will not in any way prejudice the rights of any party to commence litigation regarding such Dispute and this Section 13.17 will not constitute a condition precedent to the institution of legal proceedings.

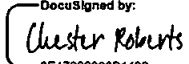
13.18 Schedule Preparation. Based on its due diligence review of the Business and the Purchased Assets, Purchaser, with the approval of Seller, prepared the initial drafts of Schedules 1.1(a), 1.1(b), 1.1(d), 1.1(e), 1.1(f), 1.1(g), 1.1(i), 1.1(j), 1.1(l), 1.1(n), 1.2, 1.4, 3.3, 4.1, 4.2, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.15, 4.17, 4.18(a), 4.18(b), 4.18(c), 4.19, 4.21, 4.22(a), 4.22(b), 4.23(b), 4.23(c), 4.23(e), 4.24(a), 4.24(f), 4.25, 4.27, 4.29, 4.30, 4.31, 4.33(a), 4.33(b), 4.34, 7.5, 7.7, 7.8, (the "Draft Schedules") for the review, comment and revision by Seller for the purpose of reducing costs and to expedite the consummation of the Contemplated Transactions. Seller acknowledges and agrees that (a) Seller has had ample opportunity to review, analyze and revise the Draft Schedules and (b) Seller is solely responsible for the Draft Schedules in their final form being complete and fully accurate. Accordingly, Purchaser's participation in the preparation of the Draft Schedules, and the review and comment on any of the Schedules, shall not in any manner or to any extent limit any liability that Seller may have to Purchaser under this Agreement or the other Transaction Documents, whether or not arising from or related to the incompleteness or inaccuracy of any Schedule.

[The remainder of this page is intentionally left blank – signature page follows.]

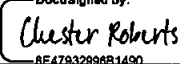
IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement as of the date first above written.

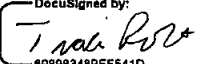
SELLER:

PYRAMID ENTERPRISES, INC.

By: 
Name: Chester Roberts
Its: President

SHAREHOLDER:


Chester Roberts


Traci Roberts

PURCHASER:

ADVenco LLC

By: 
Name: Peter Nolan
Its: Authorized Signatory

EXHIBIT A
CERTAIN DEFINITIONS

"Accounting Firm" means BDO, or such other nationally reputed accounting firm mutually agreed upon by Purchaser and Seller.

"Accounting Policies" means GAAP, provided that, to the extent GAAP would allow the use of alternative policies, principles and practices, Accounting Policies shall refer to the policy, principle or practice used in the preparation of the Financial Statements or the Interim Balance Sheet.

"Affiliate" means, with respect to any Person, any other Person or group of affiliated Persons directly or indirectly controlling (including without limitation all directors and executive officers of such Person), controlled by or under direct or indirect common control with such Person. For purposes of this definition, a Person will be deemed to control another Person if such Person possesses, directly or indirectly, the power (a) to vote 50% or more of the securities having ordinary voting power for the election of directors of such person or (b) to direct or cause the direction of the management or policies of such other Person. With respect to an individual Person, another Person will be deemed to be an Affiliate of that Person if such other Person is a member of that Person's immediate family (i.e., that Person's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of that Person, and their respective spouses).

"Applicable Contracts" means any Contract (a) under which Seller has or may acquire any rights, (b) under which Seller has or may become subject to any obligation or liability, or (c) by which Seller or any of the assets owned or used by it is or may become bound.

"Applicable Legal Requirement" means any Legal Requirement applicable to and legally binding on the Person or Persons referenced or to any equity interests held or assets owned by such Person or Persons.

"Breach" means any breach of, or any inaccuracy in, any representation or warranty or breach of, or failure to perform or comply with, any covenant or obligation in or of the Contract in question, or any event that with the passing of time or the giving of notice, or both, would constitute such a breach, inaccuracy, or failure.

"Business Day" means any day other than (a) Saturday or Sunday or (b) any other day on which national banks in New York, New York, are generally permitted or required to be closed.

"CARES Act" means the Coronavirus Aid, Relief and Economic Security Act of 2020, as amended.

"CARES Act Forgivable Uses" means uses of proceeds of a PPP Loan that are eligible for forgiveness under Section 1106 of the CARES Act.

"CARES Payroll Costs" means "payroll costs" as defined in 15 U.S.C. 636(a)(36)(A)(viii) (as added to the Small Business Act by Section 1102 of the CARES Act), and as amended by subsequent SBA regulations.

"Cleanup" means cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions required by applicable Environmental Law

or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person).

"Closing Advanced Deposits" means the amount of the Advance Deposits of Seller as of the Closing Date after taking into consideration the Collection Expenses.

"Closing Date" means the date on which the Closing occurs.

"Closing Forest Service Fee Liability" means the Forest Service Fee Liability of Seller as of the Closing Date.

"Closing Growth CapEx" means the Growth CapEx as of the Closing Date.

"Closing Indebtedness" means Indebtedness of Seller as of the Closing Date, but not including the PPP Loan.

"Closing Working Capital" means the aggregate amount of the Working Capital as of 12:01 a.m. on the Closing Date.

"COBRA" means the health care continuation requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code, or similar state law.

"Code" means the Internal Revenue Code of 1986, as amended to date.

"Confidentiality Agreement" means that certain Confidentiality and Mutual Nondisclosure Agreement, dated July 16, 2020 between Seller and Nolan Capital, Inc.

"Contemplated Transactions" means the transactions contemplated by this Agreement.

"Contract" means, with respect to any Person, any oral or written agreement, indenture, instrument, contract, guarantee, bond, loan, note, letter of credit, pledge, mortgage, license, lease or other arrangement or legally binding commitment to which such Person is a party or by which it is bound or to which any of its assets or properties is subject and bound.

"Closing Contract Escrow Amount" means an amount equal to the aggregate value allocated to the Assigned Contracts that have not been successfully transferred in full by Seller to Purchaser at the Closing (whether for failure of a required consent or otherwise), pursuant to the contract value allocation schedule set forth in **Exhibit G**.

"Current Assets" means all current assets, as determined in accordance with GAAP, including (without duplication) (a) Cash-on-Hand, (b) Accounts Receivable (including credit card receivables, but net of any reserves), (c) Inventory (net of any reserves), (d) Fishing Funds and (e) Prepaid Expenses, but excluding (1) cash and cash equivalents other than Cash-on-Hand and cash held in any reserve accounts, the Fishing Funds, or the Maintenance Fund Accounts, (2) prepaid insurance or insurance refunds and (3) prepaid Taxes or refunds of Taxes.

"Current Liabilities" means all current liabilities, as determined in accordance with GAAP, including (without duplication) (a) Accounts Payable, (b) Fishing Funds Liability, (c) Forest Service Fee Liability, (d) Advance Deposits, and (e) other current liabilities, but excluding (1) accrued expenses, (2) any employee related liabilities, and (3) any liability related to Taxes or insurance.

"Damage" means any cost, loss, liability, obligation, claim, cause of action, damage, deficiency, expense (including costs of investigation and defense and reasonable attorneys' fees and expenses), fine, penalty, judgment, award, assessment, or diminution of value, whether or not involving a Third-Party Claim.

"Environment" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

"Environmental, Health, and Safety Liabilities" means any cost, damages, expense, liability, obligation, or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to: (a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law; (c) financial responsibility under Environmental Law or Occupational Safety and Health Law for Cleanup costs; or (d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms "removal," "remedial," and "response action," include the types of activities covered by the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.*, as amended.

"Environmental Law" means any Applicable Legal Requirement that requires or relates to: (a) advising appropriate authorities, employees, and the public of intended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencements of activities, such as resource extraction or construction, that could have significant impact on the Environment; (b) preventing or reducing to acceptable levels the release of pollutants or hazardous substances or materials into the Environment; (c) reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated; (d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of; (e) protecting resources, species, or ecological amenities; (f) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil, or other potentially harmful substances; (g) cleaning up pollutants that have been released, preventing the Threat of Release, or paying the costs of such clean up or prevention; or (h) making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

"Escrow Agent" means the escrow agent under the Escrow Agreement.

"Estimated Working Capital Adjustment Amount" means the amount, which may be positive or negative, equal to (a) Estimated Closing Working Capital minus (b) Target Working Capital.

"GAAP" means generally accepted accounting principles in the United States.

"Governmental Authority" means any (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency,

branch, department, official, or entity and any court or other tribunal); (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

“Growth CapEx” means the aggregate amount of new vehicles and boats purchased by Seller in the Ordinary Course of Business for the 2021 season required to expand existing operations of the Business as set forth on **Schedule A.1**.

“Hazardous Materials” means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, medical, infectious, biological or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

“Indebtedness” means, with respect to any Person:

- (a) all indebtedness for borrowed money or for the deferred purchase price of property or services (or similar arrangements such as conditional sales or title retention arrangements) in respect of which such Person is liable, contingently or otherwise, as obligor or otherwise;
- (b) any other indebtedness that is evidenced by a note, bond, debenture or similar instrument issued by such Person;
- (c) all obligations under capital leases (including synthetic capital leases) in respect of which such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise;
- (d) all obligations relative to the face amount of letters of credit, whether or not drawn, bankers' acceptances, performance, surety or appeal bonds (or similar obligations); and
- (e) all interest, prepayment penalties, premiums, fees and expenses (if any) with respect to or related to any of the other items within the definition of Indebtedness.

“Investigation” means any investigation, inquiry, audit or similar proceeding by or before any Governmental Authority.

“IRC” means the Internal Revenue Code of 1986, as amended, or any successor law, and regulations issued by the IRS pursuant to the Internal Revenue Code or any successor law.

“Knowledge” means Seller and Shareholder will be deemed to have “Knowledge” of a particular fact or other matter if a Shareholder, Trevor Bolls, or Megan Hozinsky is actually aware of such fact or other matter, in each case, after completion of a reasonable inquiry with their respective direct reports.

“Legal Requirement” means any national, federal, state, or local constitution, law (whether statutory or common law), ordinance, code, rule, regulation, bylaw, statute, act, treaty, administrative interpretation or Order of any Governmental Authority, including rules and regulations promulgated thereunder.

“Lien” means any mortgage, lien, pledge, claim, charge, security interest or encumbrance or any kind, including without limitation the interest of a vendor or lessor under any conditional sale agreement, capital lease obligation or other title retention agreement, or any agreement to create or grant any of the foregoing or prohibiting Seller from granting Liens on their respective assets.

"Liquor Licenses" means collectively the following ABC liquor licenses Seller owns: (a) Lake Skinner Store Permit # 41-571753, (b) Lake Skinner Permit # 20-421603, (c) Lake Silverwood Permit # 20-571879, (d) Cachuma Camp Store Permit # 20-520852, (e) San Pablo Marina Permit # 41-516307, (f) Santa Margarita Marina Permit # 20-580839, and (g) Rancho Jurupa Park Permit # 20-580952.

"Material Adverse Effect" means any state of facts, change, event, development, effect or occurrence that, individually or in the aggregate, is, or would reasonably be expected to be, materially adverse to (a) the business, assets, liabilities, condition (financial or otherwise) or results of operations of Seller taken as a whole, or (b) the ability of Seller to timely perform their obligations hereunder or consummate the transactions contemplated by this Agreement, provided, however, that for the purposes of clause (a) of this definition, **"Material Adverse Effect"** shall not include any state of facts, change, event, effect or occurrence (except to the extent that clauses (i), (ii), (iii) or (iv) below have or would be reasonably expected to have a disproportionate adverse impact on Seller relative to other participants in the industries in which Seller conduct their business) resulting from (i) economic, financial market or geopolitical conditions in general (including the cost and availability of debt or equity financing), (ii) changes in Applicable Legal Requirements or GAAP following the date hereof, (iii) any outbreak or escalation of hostilities or war or any act of terrorism, (iv) conditions in the industries or markets in which Seller compete, (v) any weather condition, earthquake or natural disaster, (vi) the announcement of this Agreement or the Contemplated Transactions, in accordance with the terms of this Agreement (including any action or inaction as a result thereof by the employees, customers, vendors or competitors of Seller) and (vii) actions required to be taken by any party hereto (or otherwise consented to in writing by Purchaser) pursuant to this Agreement.

"Occupational Safety and Health Law" means any Applicable Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"Order" means any order, injunction, judgment, decree, determination, ruling or arbitration award of any Governmental Authority or arbitrator or arbitration panel.

"Ordinary Course of Business" means an action taken by a Person will be deemed to have been taken in the Ordinary Course of Business only if that action: (a) is consistent in nature, scope, and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person; and (b) does not require authorization by the board of directors of such Person (or by any Person or group of Persons exercising similar authority) and does not require any other separate or special authorization of any nature.

"Organizational Documents" means the articles of incorporation, certificate of incorporation, charter, by-laws, articles of formation, certificate of formation, regulations, operating agreement, certificate of limited partnership, limited liability company agreement or partnership agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of a Person, including any amendments thereto.

"Paycheck Protection Program" means the 7(a) loan program established by the Section 1102 of the CARES Act and administered by the U.S. Small Business Administration.

"Person" means any individual, corporation, partnership, limited liability company, trust, joint venture, unincorporated association or other enterprise or any governmental authority.

"PPP Loan" means, individually, and **"PPP Loans"** means, collectively, each loan issued to Seller or its Affiliates through the Paycheck Protection Program pursuant to Section 1102 of the CARES Act, which loans and the principal amount thereof are set forth on **Schedule 4.31**.

"PPP Loan Forgiveness Application" means the loan forgiveness application for the PPP Loan, as promulgated by the SBA.

"Proceeding" means any action, arbitration, mediation, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, judicial, or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

"Release" means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

"Sample Working Capital Calculation" means a calculation of Working Capital as of October 31, 2020, attached as **Exhibit F** hereto for illustrative purposes only.

"SBA" means the U.S. Small Business Administration.

"Target Working Capital" means \$820,000.00

"Third Party" means a Person that is not a party to this Agreement.

"Third-Party Claim" means any claim against any Indemnified Person by a Third Party, whether or not involving a Proceeding.

"Threatened" means, with respect to any claim, Proceeding, dispute or similar matter, that any demand or statement has been made or any notice has been given to a party to this Agreement that would lead a reasonably prudent Person to conclude that such a claim, Proceeding, dispute or similar matter may be asserted, commenced, taken or otherwise pursued in the future.

"Threat of Release" means a substantial likelihood of a Release that may require action in order to prevent or mitigate damage to the Environment that may result from such Release.

"Transaction Documents" means, collectively, this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Employment Agreements, and all other documents executed in connection herewith, including the conveyance documents, as any or all of the foregoing may be renewed, amended, extended, modified, supplemented, replaced or rearranged from time to time.

"Working Capital" means an amount (which may be a positive or negative number) in U.S. dollars equal to Current Assets (but only to the extent constituting Purchased Assets), but excluding Maintenance Fund Accounts and Fishing Funds, less Current Liabilities (but only to the extent constituting Assumed Liabilities), but excluding the Advance Deposits, Fishing Funds Liability, and Forest Service Fee Liability.

EXHIBIT B
EMPLOYMENT AGREEMENTS

EXHIBIT C
LEASE AGREEMENT

EXHIBIT D
BILL OF SALE

EXHIBIT E
ASSIGNMENT AND ASSUMPTION AGREEMENT

EXHIBIT F
SAMPLE WORKING CAPITAL CALCULATION

EXHIBIT G
ASSIGNED CONTRACT PURCHASE PRICE ALLOCATION

Certificate Of Completion

Envelope Id: 673D12217CCC47E68ECE9CCAA30F12C1

Status: Completed

Subject: Please DocuSign: Execution Version - Pyramid Enterprises_ONP - Asset Purchase Agreement.docx

Source Envelope:

Document Pages: 64

Signatures: 4

Certificate Pages: 5

Initials: 0

AutoNav: Enabled

EnvelopeId Stamping: Enabled

Time Zone: (UTC-07:00) Mountain Time (US & Canada)

Envelope Originator:

C.J. Boyd

800 W 47th St Ste 300

Kansas City, MO 64112

CBoyd@Polsinelli.com

IP Address: 209.236.106.6

Record Tracking

Status: Original

Holder: C.J. Boyd

Location: DocuSign

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CBoyd@Polsinelli.com

Signer Events

Chester Roberts

chet@rockymountainrec.com

Security Level: Email, Account Authentication
(None)

Signature

DocuSigned by:

Chester Roberts
BE4793296B1450...

Timestamp

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Electronic Record and Signature Disclosure:

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Peter Nolan

nolan@nolancap.com

Manager

Security Level: Email, Account Authentication
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Traci Roberts

traci@rockymountainrec.com

Security Level: Email, Account Authentication
(None)

DocuSigned by:

Traci Roberts
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In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Bill Mahood

BMahood@Polsinelli.com

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**
Not Offered via DocuSign**Status****COPIED****Timestamp**

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C.J. Boyd

cboyd@polsinelli.com

Associate

Polsinelli PC

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**
Not Offered via DocuSign**COPIED**

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Resent: 3/25/2021 7:24:13 PM

Rob Weitz

weitz@nolancap.com

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**
Not Offered via DocuSign**COPIED**

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Witness Events**Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

3/25/2021 6:54:07 PM

Certified Delivered

Security Checked

3/25/2021 7:23:26 PM

Signing Complete

Security Checked

3/25/2021 7:24:09 PM

Completed

Security Checked

3/25/2021 7:24:11 PM

Payment Events**Status****Timestamps****Electronic Record and Signature Disclosure**

CONSUMER DISCLOSURE

From time to time, polsinelli (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the "I agree" button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign "Withdraw Consent" form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact polsinelli:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: cgoodspeed@polsinelli.com

To advise polsinelli of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at cgoodspeed@polsinelli.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from polsinelli

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to cgoodspeed@polsinelli.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with polsinelli

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to cgoodspeed@polsinelli.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000 or WindowsXP
Browsers (for SENDERS):	Internet Explorer 6.0 or above
Browsers (for SIGNERS):	Internet Explorer 6.0, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to

other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the "I agree" button below.

By checking the "I Agree" box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC CONSUMER DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify polsinelli as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by polsinelli during the course of my relationship with you.

EXHIBIT A

Job Description

See attached.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "**Agreement**"), is entered into as of [____], 2020 (the "**Effective Date**") between Advenco LLC, a Delaware limited liability company (the "**Company**"), and [____]¹ ("**Employee**").

PREAMBLE

The Company desires to employ Employee pursuant to the terms and conditions of this Agreement; and

Employee desires to be employed by the Company pursuant to the terms and conditions of this Agreement.

In consideration of the premises, the parties agree as follows:

1. **TERM OF EMPLOYMENT.** Subject to the terms and conditions set forth herein, the Company hereby employs Employee, and Employee hereby accepts such employment, which will commence on the Effective Date hereof and will terminate as of the earlier of (i) two (2) years from the Effective Date, or (ii) the occurrence of an event described in **Article 9** of this Agreement (the "**Term**").

2. **DUTIES OF EMPLOYEE.**

2.1 **Title.** Employee will be employed in the position of [____]², to perform such duties as assigned to Employee from time to time by the Manager (as that term is defined in the Operating Agreement of the Company) consistent with the job description attached hereto as *Exhibit A*.

2.2 **Modification of Duties.** The Company has the right, from time to time, to modify or change Employee's position, duties and/or responsibility hereunder. Any such modification or change, including, without limitation, the expansion of Employee's duties hereunder, will not, unless specifically agreed by the Company in a duly executed amendment of this Agreement, result in any modification of Employee's compensation as provided in this Agreement.

2.3 **Extent of Services.** Employee must devote his full time and best efforts to the business of the Company. Employee will not be precluded outside normal business hours from other business activities so long as such other business activities do not detract from Employee's activities on behalf of the Company or violate any of the restrictive covenants in **Article 5** hereof.

3. **COMPENSATION.** During the Term and for all services rendered by Employee to or for the Company:

¹ **Note to Draft:** This Agreement will be populated for Trevor Bolls and Megan Hozinky, with applicable adjustments.

² **Note to Draft:** Megan Hozinsky's title will be Implementation Manager, and Trevor Bolls's titles will be Operations Manager.

3.1 **Base Salary.** The Company will pay Employee a gross annual base salary of [] (**"Base Salary"**), which will be paid in bi-weekly installments in arrears. The payment of compensation authorized under this Agreement will be subject to applicable withholdings for federal, state and local taxes and for other reductions authorized by Employee under authorized employee benefit plans. The Manager of the Company will review the Base Salary of Employee at least annually and may increase the same as the Manager deems appropriate.

3.2 **Incentive Compensation.** Employee will be eligible to receive incentive compensation, on an annual basis beginning in calendar year 2021, of up to [] of Employee's Base Salary based on exceeding certain key performance indicators set by the Manager and subject to the Company's performance, all in accordance with the terms and conditions of the Company's incentive compensation standard operating procedures (the **"Incentive Compensation Plan"**). The Incentive Compensation Plan may be altered and revised from time to time by the Manager in its sole and absolute discretion.

3.3 **Employee Benefits.** During the Term, Employee will be eligible to participate in employee benefit plans or programs of the Company, generally made available to all other employees of the Company and Ortega National Parks, LLC, subject to the eligibility criteria, rules, plan provisions and regulations applicable to such plans. Nothing contained herein may be construed as limiting the ability of the Company to amend, modify or terminate such employee benefit plans or programs, in its sole discretion.

3.4 **Expenses.** Employee shall be reimbursed by the Company for all reasonable business expenses that may be incurred in direct connection with the performance of Employee's duties under this Agreement in accordance with the expense reimbursement and pre-approval policies adopted from time to time by the Company concerning business expenses. Any expenses not accompanied by appropriate receipts will not be reimbursed.

3.5 **Vacation.** Employee will be entitled to schedule and take vacation on an annual basis; provided that, any vacation shall only be taken by Employee at such time or times as do not conflict so far as reasonably practicable with Employee's duties and responsibilities hereunder. All vacation must be pre-approved by Employee's supervisor.

4. **DISCLOSURE OF INFORMATION.**

4.1 **Confidentiality.** Employee acknowledges that, in and as a result of employment hereunder, he will be making use of, acquiring knowledge of, and/or adding to confidential or proprietary information of or relating to the Company and its affiliates, including, without limitation, the Company's lists of customers and accounts, systems, procedures, policies, manuals, advertising, marketing plans, marketing strategies, trade secrets, business plans, financial data, financial statements, strategies, methods of conducting business, price lists, formulas, processes, procedures, standards, know-how, manuals, techniques, research, designs, technology, concepts, inventions, discoveries, the nature and results of research and development activities, confidential reports and all other information, knowledge, or data of any kind or nature relating to the products, services, or business of the Company or any subsidiary, parent or other affiliate of the Company, including any information or data of the type described above provided to the Company by third parties, including the Company's customers and clients, (collectively, **"Confidential Information"**). As a material inducement to the Company to enter into this

Agreement, Employee covenants and agrees that he will not, at any time during or following the Term, directly or indirectly, except in furtherance of the Company business and in accordance with the Company policies, use, disseminate, divulge or disclose, for any purpose whatsoever, any Confidential Information. Employee acknowledges that, if at any time following the Term, he enters new employment that threatens to require knowledge or skills that are inextricably tied up with the Company's Confidential Information, the Company is entitled to prevent Employee from commencing or continuing in such employment.

4.2 **Return of Documents.** All documents, records, notebooks and similar repositories of or documents containing any Confidential Information, including all existing copies or extractions thereof, then in Employee's possession or in Employee's control, whether prepared by his or others, are the sole property of the Company. Upon termination of employment with the Company, whether such termination was by Employee or the Company, Employee will promptly return all Confidential Information to the Company, including all documents, records, notebooks and similar repositories of or documents containing any Confidential Information, including all existing copies (whether printed or in electronic or other format) or extractions thereof.

4.3 **Inventions.** Employee agrees to promptly and fully disclose in writing to the Company (but to no other person or persons except as expressly directed by the Company) any Inventions (as hereinafter defined) that he may create, conceive, develop, make or reduce to practice, in whole or in part, alone or with others, during his employment with the Company or within one (1) year after any termination of his employment for any or no reason. Employee hereby assigns all of his right, title and interest in and to any and all Inventions and any rights with respect thereto (whether currently existing or created in the future) exclusively to the Company or its nominee, and Employee agrees any such Inventions are the sole property of the Company or its nominee. Employee hereby assigns to the Company any and all claims, causes of action and enforcement rights, of any nature whatsoever, which Employee now has or may hereafter have for infringement of, or otherwise related to, any Inventions, including the right to sue for and receive damages and injunctive relief and other remedies for past, present and future infringement, misuse, misappropriation or other violation thereof. Employee agrees to execute and deliver to the Company any additional documents or filings which the Company reasonably deems necessary to further manifest this assignment

(a) **Definition.** For purposes hereof, the term "**Inventions**" means ideas, concepts, devices, discoveries, developments, inventions, works of authorship, trade secrets, know-how, intellectual property, source and object codes, programs, data, systems, products, processes, techniques, designs or methods of manufacture, distribution, management or otherwise or improvements or modifications of the foregoing (whether or not protectable under patent, copyright or trademark laws) which (i) relate or pertain in any way to the existing or reasonably anticipated scope of any part of the Company's business or the business of any of its subsidiaries, parents or other affiliates or the present or prospective research or development of the foregoing, (ii) are created, conceived, developed, made or reduced to practice, in whole or in part, alone or with others, within the scope of Employee's employment with the Company or using any facilities, equipment, materials, information or personnel of the Company or during the time for which Employee was paid by the Company, (iii) result from or are suggested by any work or task performed by Employee, or (iv) use or are based on or derived from any Confidential Information.

(b) Assistance. Employee agrees to assist the Company or its designee in every reasonably way to obtain, and from time to time enforce, rights in and protections for Inventions in the United States and other countries and jurisdictions (whether or not Employee believes such to be protectable or enforceable). Employee will execute, verify and deliver such documents and perform such other acts (including appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such rights and protections in Inventions and the assignment thereof. Employee's obligation to assist the Company with respect to rights in and protections for Inventions in any and all countries will continue beyond the termination of his employment, but the Company will compensate Employee at a reasonable rate after his termination of employment with the Company for the time actually spent by him at the Company's request on such assistance.

(c) Power of Attorney. Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney in fact, which appointment is coupled with an interest, to act for and on his behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes herein with the same legal force and effect as if executed by Employee, and such rights and authority may be exercised by the Company in the event the Company is unable for any reason, after reasonable effort, to secure Employee's signature on any document needed in connection with the actions specified herein.

(d) Waiver of Rights. Employee expressly agrees that he will not assert any rights to any Inventions or improvements thereof, or know-how related thereto, related to the Company and its business, made or acquired by him during and related to his employment with the Company. All such Inventions or improvements thereof, are automatically the sole and absolute property of the Company. Employee further agrees to promptly disclose to the Company all patent and copyright applications filed by him or on his behalf within one (1) year after termination of employment from the Company for any or no reason.

4.4 Computer System Access. Employee expressly acknowledges that any access that Employee may have to the computers, equipment, systems, or networks of Company is limited solely to that access or use that is necessary to perform Employee's duties to the Company under this Agreement. Any other access to or use of the Company's computer systems and Confidential Information is unauthorized and/or exceeds Employee's authorized access to or use of the Confidential Information or computer systems.

5. RESTRICTIVE COVENANT. By his employment with the Company, Employee will acquire and have access to Confidential Information that the Company has a legally protectable interest in, among other things, its goodwill, sales and resales to current customers and referrals, as they may now exist or as they may be developed in the future. Employee acknowledges and agrees that the Company in its offer of employment to Employee will allow Employee to perform services for individuals, firms, corporations and other business enterprises which Employee may solicit as clients and customers of the Company, and in so doing, has and will utilize the Company's ideas, techniques and expertise in establishing an even greater rapport with such customers.

5.1 **Non-Competition; Non-Solicitation.** During Employee's employment with the Company and for one (1) year from and after the Employee's applicable Termination Date:

(a) Employee shall not, directly or indirectly, engage, invest in, own, manage, operate, finance, control, advise, render services to, guarantee the obligations of, be employed by, be associated with, or in any manner be connected with any person in the Business, West of the Mississippi; provided, however, that Employee may acquire or otherwise own less than 5% of the outstanding capital stock of a person that is listed on any national securities exchange.

(b) Employee shall not, directly or indirectly, (A) cause, induce, or attempt to cause or induce any employee, agent, or independent contractor of the Company to terminate such relationship; (B) in any way interfere with the relationship between the Company and any of its employees, agents, or independent contractors; or (C) hire, retain, employ, or otherwise engage or attempt to hire, retain, employ, or otherwise engage as an employee, independent contractor, or otherwise, any employee, agent, or independent contractor of the Company.

(c) Employee shall not, directly or indirectly, (A) solicit, induce, or otherwise cause, or attempt to solicit, induce, or otherwise cause, any customer, supplier, licensor, licensee, or any prospective customers, supplier, licensor, or licensee that has been contacted or targeted for contact by the Company on or prior to the Employee's Termination Date, or any other person engaged in a business relationship with the Company, to (1) terminate, curtail, or otherwise modify its relationship with the Company or (2) engage in business with a competitor of the Company, or (B) interfere in any way with the relationship between the Company and any of its customers, suppliers, licensors, licensees, or any such prospective customers, suppliers, licensors, or licensees, or any other person engaged in a business relationship with the Company.

5.2 **Definitions.** For purposes of this Section,

(a) the references to "employee, agent, or independent contractor" means any individual employed or engaged by the Company or any affiliate of the Company (as the case may be) at the time of such hiring, solicitation or other act, or any individual so employed or engaged at any time during the six (6) month period preceding such hiring, solicitation or other act.

(b) "**Business**" means the business of providing boat inspections and concession services to campgrounds, marinas, water recreation facilities, day use areas, RV sites and other recreation sites for federal, state, and local agencies.

6. **REASONABLENESS OF RESTRICTIONS.**

6.1 **Reasonable.** Employee has carefully read and considered the provisions of Sections 4 and 5 (collectively, the "**Restrictions**") and, having done so, agrees that the Restrictions (including, but not limited to, the time period of restriction and the geographical areas of restriction set forth in Section 5 hereof) are fair and reasonable and are reasonably required for the protection of the interests of the Company.

6.2 **Preserve Livelihood.** Employee represents that his experience, capabilities and personal assets are such that this Agreement does not deprive him from either earning a livelihood in the unrestricted business activities which remain open to him or from otherwise adequately and appropriately supporting herself and his family.

6.3 **Reformation.** In the event that any of the provisions of the Restrictions are held to be invalid or unenforceable, the remaining provisions will nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included therein. In the event that any provision of the Restrictions relating to time period and/or areas of restriction is declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, said time period and/or areas of restriction will be deemed to become and thereafter be, the maximum time period and/or areas which such court deems reasonable and enforceable.

7. **VIOLATION OF RESTRICTIONS.**

7.1 **Equitable Relief.** Employee acknowledges and agrees that a breach by him of the Restrictions will cause the Company irreparable injury and damage incapable of immediate calculation. Employee, therefore, expressly agrees that the Company will be entitled to injunctive and other equitable relief to prevent a breach of the Restrictions, or any part thereof by Employee, or by Employee's partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly acting for or with him, and to secure its enforcement, in addition to any other remedy to which the Company might be entitled. Employee and the Company expressly waive the posting of any bond or surety required prior to the issuance of an injunction hereunder. However, in the event that the court refuses to honor the waiver of bond hereunder, Employee and the Company hereby expressly agree to a bond in the amount of \$1,000.

7.2 **Cumulative Remedies.** The Company will be entitled to avail itself of all remedies at law or equity to enforce the terms of this Agreement, including, without limitation, the Restrictions. Any and all of the Company's remedies for the breach of this Agreement are cumulative and the pursuit of one remedy will not be deemed to exclude any other remedies with respect to the subject matter hereof.

8. **CONFLICT OF INTEREST.** Employee acknowledges and agrees that he will not accept payments, gifts, entertainment, or other fees which go beyond common courtesies usually associated with accepted business practices and which might be regarded as placing him under some obligation to a third party dealing with or desiring to deal with the Company. This does not preclude the acceptance of items of minor or nominal value which are of such nature as would indicate they are merely tokens of respect or friendship and not related to any particular transactions. Employee agrees that during the course of his employment hereunder he will abide by all company policies regarding business practices, ethics and conflicts of interest and will not accept any additional fees, compensations, commissions, wages, salaries or remuneration from a third party, without the consent of the Manager of the Company.

9. **TERMINATION OF EMPLOYMENT.**

9.1 **Termination of Agreement and Employment.** Either Employee or the Company may terminate this Agreement and Employee's employment pursuant hereto as of the earliest to occur of the following (such date, the "**Termination Date**"):

(a) the date set forth in a mutual written agreement between Employee and the Company; or

(b) the date set forth in written notice to Employee by the Company that Employee's employment has been terminated and such notice does not provide that "cause" exists for such termination, provided that such date is not less than thirty (30) days following the date such notice is received by Employee (a "**Termination Without Cause**"); or

(c) immediately upon the date notice from the Company is received by Employee if such notice provides that the Company has determined that "cause" exists for such termination (a "**Termination For Cause**"); or

(d) the date set forth in written notice to Company given by Employee in the event he resigns from his employment, provided that such date is not less than thirty (30) days (the "**Termination Transition Period**") following the date such notice is received by Company; or

(e) the date of Employee's death; or

(f) the date notice from Company is received by Employee in the event Employee's disability resulting in an inability to perform his essential job functions with or without a reasonable accommodation lasts for a period of, in general, thirty (30) days in any consecutive twelve-month period, as determined in the sole discretion of the Company and in compliance with applicable law.

9.2 **Cause.** For purposes of this Agreement, the term "**cause**" includes, without limitation, (i) a material breach of this Agreement, (ii) fraud against the Company, (iii) misappropriation of the Company's assets, (iv) embezzlement, theft, malfeasance, or willful misconduct from or against the Company, (v) a material failure to follow the Company's rules and regulations, (vi) neglect of material duties Employee is required to perform under this Agreement or material failure to follow the directives of the Manager of the Company, (vii) material dishonesty by the Employee, or (viii) being found guilty of or plead guilty or nolo contendere to a felony crime or a crime involving drug abuse, violence, dishonesty or theft; provided however, no event shall constitute cause pursuant to (i), (v), or (vi) unless Employee has been provided written notice of such event and has failed to cure the incident otherwise constituting cause within ten (10) days of such notice.

9.3 **Termination Transition Period.** During the Termination Transition Period, Employee shall take all reasonable actions requested by the Company, including without limitation to, as applicable, wind down the business or transition his position to his successor. The Company may, at its sole option, accelerate the Termination Date to an earlier date as determined by the Company.

9.4 **Severance Upon Termination Without Cause.** Upon a Termination Without Cause, the Company agrees to (i) pay Employee all compensation and provide all benefits earned by Employee through the Termination Date and (ii) provide to Employee severance payments equal to the remaining Base Salary that would have been paid to Employee if such employee had continued to be employed through the two (2) year anniversary of the Effective Date of this

Agreement. Payment will be made by the Company to Employee in bi-weekly installments in accordance with **Section 3.1** of this Agreement. Any payment to Employee under this Section is conditioned upon Employee signing a release satisfactory to the Company in its sole discretion and Employee's compliance with **Sections 4 and 5** of this Agreement.

10. **MISCELLANEOUS.**

10.1 **Delegation of Duties and Assignment of Rights.** Employee may not delegate the performance of any of his obligations or duties hereunder, or assign any rights hereunder, without the prior written consent of the Company, which consent may be withheld for any reason. Any such purported delegation or assignment in the absence of any such written consent will be void. Employee hereby acknowledges, consents to and ratifies any future assignment of this Agreement by the Company.

10.2 **Publicity Release.** Employee hereby consents to the use of his name, voice and picture (including, but not limited to, use in still photographs, videotape and film formats) during the Term for advertising, promotional, public relations, and other business purposes (including its and their use in newspapers, brochures, magazines, journals, films, or videotapes) by the Company; provided that such use is consistent with Employee's professional or personal reputation.

10.3 **Non-Disparagement.** Employee and the Company agree that their respective professional and personal or company reputations are important and should not be impaired by any party after this Agreement is executed. Employee agrees not to disparage the professional or company reputation of the Company or its respective officers, directors, or employees, and the Company agrees that it will not disparage Employee's professional or personal reputation.

10.4 **Burden and Benefit.** This Agreement is binding upon, and inures to the benefit of, the Company and Employee, and their respective heirs, personal and legal representatives, successors and permitted assigns.

10.5 **Waiver.** Failure to insist upon strict compliance with any of the terms, covenants or conditions of this Agreement will not be deemed a waiver of such term, covenant or condition, nor will any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. Employee acknowledges that every breach of a non-solicitation or non-competition covenant by an employee is unique and that Company may need to respond differently to the actions of one employee than to the actions of another employee. Therefore, the failure of Company to enforce the same, similar or a different non-solicitation or non-competition covenant against another employee or to seek a different remedy against such employee will not be construed as a waiver or estoppel to the enforcement of any of the provisions of this Agreement, including the Restrictions.

10.6 **Governing Law: Severability.** The construction and interpretation of this Agreement will at all times and in all respects be governed by the laws of Kansas. The provisions of this Agreement (including particularly, but not limited to, the provisions of the Restrictions) will be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof will not affect the validity and enforceability of the other provisions hereof.

10.7 **Notices.** Any notice required to be given hereunder will be sufficient when in writing, and either hand delivered, sent by certified or registered mail, return receipt requested, first-class postage prepaid, or by national overnight courier service (such as Federal Express or UPS) for next business day delivery, to his last known residence in the case of Employee, and to its principal office in the case of the Company, Attn: Director of Human Resources. A notice will be deemed received (i) upon delivery in the case of hand delivery, (ii) three (3) days following posting with the U.S. Postal Service, or earlier if so indicated by the return receipt, and (iii) the next business day if delivered to an overnight courier service.

10.8 **Entire Agreement.** This Agreement and the Company's Employee Handbook contains the entire agreement and understanding by and between the Company and Employee with respect to the employment herein referred to, and no representations, promises, agreements or understandings, written or oral, not herein contained will be of any force or effect. No change or modification hereof will be valid or binding unless the same is in writing and signed by the party intended to be bound. No waiver of any provision of this Agreement will be valid unless the same is in writing and signed by the party against whom such waiver is sought to be enforced. No valid waiver of any provision of or breach of this Agreement at any time will be deemed a waiver of any other provision or subsequent breach of this Agreement at such time or will be deemed a valid waiver of such provision or subsequent breach at any other time.

10.9 **Jury Trial.** EVEN THOUGH SECTION 10.10 REQUIRES ALL DISPUTES TO BE SETTLED THROUGH ARBITRATION, AS A PROTECTIVE MEASURE, THE COMPANY AND EMPLOYEE HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED OR RELATED TO THIS AGREEMENT.

10.10 **Arbitration.** Except as otherwise provided in this Section, the parties hereby agree that any dispute arising under this Agreement or any claim for breach or violation of any provision of this Agreement or related to the employment relationship or otherwise, including those created by practice, common law, court decision or statute, now existing or created later, including any related to allegations of violations of state or federal statutes related to discrimination, and all disputes about the validity of this arbitration clause, must be submitted to binding arbitration, pursuant to the National Rules for the Resolution of Employment Disputes of the American Arbitration Association ("**AAA**"), to a single arbitrator selected by mutual agreement of the parties or, if the parties do not mutually agree on the arbitrator, in accordance with the rules of the AAA. The determination of the arbitrator will be final and binding upon the parties. Each party will have the right to bring an action in any court of competent jurisdiction to enforce any arbitrator's award rendered pursuant to this Section. The venue for all proceedings in arbitration under this provision, and for any judicial proceedings related to the arbitration, will be in Johnson County, Kansas. Nothing in this Section, however, will prevent the Company from seeking injunctive relief to preserve its rights under the Restrictions. Unless otherwise prohibited by law, the parties hereto expressly waive the award of consequential damages and/or punitive damages in any such arbitration commenced under this Section. Nothing in this Section, however will prevent the Company from seeking consequential and/or punitive damages if Employee violates the Restrictions.

10.11 **Counterparts**. This Agreement may be executed and delivered in one or more counterparts, each of which when executed and delivered will be an original, and all of which when executed will constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company and Employee have duly executed this Employment Agreement as of the Effective Date.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION. BY SIGNING THIS AGREEMENT THE PARTIES ARE GIVING UP ANY RIGHT THEY MIGHT HAVE TO SUE EACH OTHER IN A COURT OF LAW AND TO HAVE A TRIAL BY JURY IN ANY ACTION.

THE COMPANY:

EMPLOYEE:

Advenco LLC

By: _____
Name: _____
Title: _____

Name: [_____]

Signature Page to Employment Agreement

(_____)

EXHIBIT A

Job Description

See attached.

EXHIBIT C
LEASE AGREEMENT

STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE - NET
(DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only January 29, 2021, is made by and between CDR Ventures, LLC, a California limited liability company ("Lessor") and Advenco, LLC, a Delaware limited liability company ("Lessee"), (collectively the "Parties," or individually a "Party").

1.2 **Premises:** That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known as (street address, city, state, zip): 26368 Constellation Road, Unit 380, Valencia, CA 91355 ("Premises"). The Premises are located in the County of Los Angeles, and are generally described as (describe briefly the nature of the property and, if applicable, the "Project," if the property is located within a Project): an approximately 4,272 sq. ft. industrial condominium unit located in the condominium association known as Discovery Gateway Spectrum II. Lessee to have the use of ten (10) unreserved parking spaces in the common area of the Association. (See also Paragraph 2)

1.3 **Term:** One (1) year and zero (0) months ("Original Term") commencing April 1, 2021 ("Commencement Date") and ending March 31, 2022 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing _____ ("Early Possession Date"). (See also Paragraphs 2.2 and 3.2)

1.5 **Base Rent:** \$4,699.20 per month ("Base Rent"), payable on the first (1st) day of each month commencing April 1, 2021. (See also Paragraph 4)

☐ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph _____.

1.6 Base Rent and Other Monies Paid Upon Execution:

(a) **Base Rent:** \$4,699.20 for the period 4/1/2021 - 4/30/2021.

(b) **Security Deposit:** \$6,173.77 ("Security Deposit"). (See also Paragraph 5)

(c) **Association Fees:** \$547.48 for the period 4/1/2021 - 4/30/2021.

(d) **Other:** \$927.09 for Real Property Taxes for the period 4/1/2021 - 4/30/2021.

(e) **Total Due Upon Execution of this Lease:** \$12,347.54.

1.7 **Agreed Use:** General office, warehousing and distribution as it relates to administration of recreational properties. (See also Paragraph 6)

1.8 **Insuring Party.** Lessor is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8)

1.9 **Real Estate Brokers.** (See also Paragraph 15 and 25)

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)");

Lessor's Brokerage Firm _____ License No. _____ is the broker of (check one): ☐ the Lessor; or ☐ both the Lessor and Lessor (dual agent).

Lessor's Agent _____ License No. _____ is (check one): ☐ the Lessor's Agent (salesperson or broker associate); or ☐ both the Lessor's Agent and the Lessor's Agent (dual agent).

Lessee's Brokerage Firm _____ License No. _____ is the broker of (check one): ☐ the Lessee; or ☐ both the Lessee and Lessor (dual agent).

Lessee's Agent _____ License No. _____ is (check one): ☐ the Lessee's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of _____ or _____ % of the total Base Rent) for the brokerage services rendered by the Brokers.

1.10 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by _____ ("Guarantor"). (See also Paragraph 32)

1.11 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☒ an Addendum consisting of Paragraphs 50 through 53;

☐ a plot plan depicting the Premises;

☐ a current set of the Rules and Regulations;

☐ a Work Letter;

☒ other (specify): Exhibit "A" (CC&R's).

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms,

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covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 Condition. Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "Building") shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with said warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Building. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 Compliance. Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 50), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and an amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not, however, have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect

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during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 Delay In Possession. Lessor agrees to use commercially reasonable efforts to deliver exclusive possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent, Insurance and Real Property Taxes, and any remaining amount to any other outstanding charges or costs.

4.3 Association Fees. In addition to the Base Rent, Lessee shall pay to Lessor each month an amount equal to any owner's association or condominium fees levied or assessed against the Premises. Said monies shall be paid at the same time and in the same manner as the Base Rent.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent Increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. **THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.**

6. Use:

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner,

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liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. **No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.**

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of a written request therefor. In addition, Lessee shall provide Lessor with copies of its business license, certificate of occupancy and/or any similar document within 10 days of the receipt of a written request therefor.

6.4 **Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1(e)) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of a written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

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7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, roof drainage systems, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, and (vi) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (i.e. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

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(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the Installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 Payment For Insurance. Lessee shall pay for all insurance required under Paragraph 8 except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of \$2,000,000 per occurrence. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within 10 days following receipt of an invoice.

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an insured loss.

(b) **Rental Value.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected rent otherwise payable by Lessee, for the next 12 month period. Lessee shall be liable for any deductible amount in the event of such loss.

(c) **Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure

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and maintain the same.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor and its Agents from Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the

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required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definition. As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises or the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. In addition to Base Rent, Lessee shall pay to Lessor an amount equal to the Real Property Tax Installment due at least 20 days prior to the applicable delinquency date. If any such installment shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such installment shall be prorated. In the event Lessee incurs a late charge on any Rent payment, Lessor may estimate the current Real Property Taxes, and require that such taxes be paid in advance to Lessor by Lessee monthly in advance with the payment of the Base Rent. Such monthly payments shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sum as is necessary. Advance payments may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any such advance payments may be treated by Lessor as an additional Security Deposit.

10.3 Joint Assessment. If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 Personal Property Taxes. Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services.

11.1 Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered or billed. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

11.2 Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an

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assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; the vacating of the Premises prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism; or failure to deliver to Lessor exclusive possession of the entire Premises in accordance herewith prior to the expiration or termination of this Lease.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF

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RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is

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greater. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the Building, or more than 25% of that portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.9 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.9, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published BY AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser,

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Including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

23.3 Options. Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was received by the Lessor.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation,

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the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. At or prior to the expiration or termination of this Lease Lessee shall deliver exclusive possession of the Premises to Lessor. For purposes of this provision and Paragraph 13.1(a), exclusive possession shall mean that Lessee shall have vacated the Premises, removed all of its personal property therefrom and that the Premises have been returned in the condition specified in this Lease. In the event that Lessee does not deliver exclusive possession to Lessor as specified above, then Lessor's damages during any holdover period shall be computed at the amount of the Rent (as defined in Paragraph 4.1) due during the last full month before the expiration or termination of this Lease (disregarding any temporary abatement of Rent that may have been in effect), but with Base Rent being 150% of the Base Rent payable during such last full month. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 Attornment. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 Non-Disturbance. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently

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commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "for sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 Execution. The Guarantors, if any, shall each execute a guaranty in the form most recently published BY AIR CRE, and each such Guarantor shall have the same obligations as Lessee under this Lease.

37.2 Default. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted any Option, as defined below, then the following provisions shall apply.

39.1 Definition. "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 Options Personal To Original Lessee. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 Multiple Options. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. Multiple Buildings. If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will abide by and conform to all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessee also agrees to pay its fair share of common expenses incurred in connection with such rules and regulations.

41. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. Reservations. Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications

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that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

44. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

45. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. Offer. Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

49. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☒ is not attached to this Lease.

50. Accessibility; Americans with Disabilities Act.

(a) The Premises:

☒ have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF

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AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____

On: _____

By LESSOR:

CDR Ventures, LLC, a California limited
liability company

By: _____

Name Printed: Chester Roberts

Title: Managing Member

Phone: _____

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: 22439 Skylake Place
Santa Clarita, CA 91390

Federal ID No.: _____

BROKER

Attn: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Federal ID No.: _____

Broker DRE License #: _____

Agent DRE License #: _____

Executed at: _____

On: _____

By LESSEE:

Advenco, LLC, a Delaware limited liability
company

By: _____

Name Printed: Frank Pikus

Title: _____

Phone: _____

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: 28368 Constellation Road, Unit 380,
Valencia, CA 91355

Federal ID No.: _____

BROKER

Attn: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Federal ID No.: _____

Broker DRE License #: _____

Agent DRE License #: _____

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ADDENDUM TO LEASE

Date: January 29, 2021

By and Between

Lessor: CDR Ventures, LLC, a California limited liability company

Lessee: Advenco, LLC, a Delaware limited liability company

Property Address: 28368 Constellation Road, Unit 380, Valencia, CA 91355
(street address, city, state, zip)

Paragraph: _____

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

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The items below are incorporated as part of the principle Lease Agreement, as previously amended. In the event of an inconsistency, the inconsistent term or condition set forth in this Addendum shall govern the control over the inconsistent portion for the principle Lease Agreement.

50. SIGNS:

All signs shall be subject to Lessor's prior written approval, which shall not be unreasonably withheld or delayed, the CC&Rs, and all codes, ordinances and legislation of applicable governmental agencies. Said signs shall be at Lessee's sole cost, expense and effort. All signage installed by Lessee shall be removed by the expiration or termination of this Lease, and all surfaces shall be restored to their original condition, ordinary wear and tear excepted.

51. RULES AND REGULATIONS:

Lessee and its employees, agent and visitors will observe faithfully the Project's rules and regulations as promulgated by Lessor from time to time, provided they do not conflict with the express provisions of this Lease. The Lessor may issue such rules and regulations in its reasonable discretion, providing that such rules and regulations do not unreasonably interfere with Lessee's Permitted Use of the Premises and are similar in substance to rules and regulations of comparable Projects. Such rules and regulations, if any, will be considered to be part of this Lease, breach and default of which shall be subject to the provisions of paragraph 13 hereof. Lessor will not be liable to Lessee for the breach or default of any provision, in any lease, by any other tenant or party in the Project.

52. PROTECTIVE COVENANTS:

Lessee hereby acknowledges that the Premises are subject that certain set of Declaration of Covenants, Conditions and Restrictions ("CC&Rs") recorded in the Office of the Los Angeles County Recorder, titled Declaration of Covenants, Conditions and Restrictions and Grant of Easements for Rye Canyon Business Park, recording number 02 1363961, later amended by the First Amendment to Declaration of Covenants, Conditions and Restrictions and Grant of Easements for Rye Canyon

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Business Park, recording number 03 3623053, and also subject to the Enabling Declaration Establishing A Plan For Condominium Ownership, recording number 20071378620, all of which are hereby incorporated herein in their entirety. Lessee acknowledges that it has received a complete copy of the CC&Rs, has had an opportunity to review the CC&Rs in their entirety, and agrees to comply with the CC&Rs as evidenced by the initialed copy of page one of the CC&Rs attached hereto as Exhibit "A".

53. DRIVEWAY EASEMENTS:

Lessee acknowledges its right to use the driveways is nonexclusive and other occupants of the Project have the same rights. Lessee may not block, fence, or otherwise restrict the use of the driveways of the Premises.

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EXHIBIT "A"

6- the 10a

FIDELITY NATIONAL TITLE COMPANY

2.

9733269-100

Recording Requested By And
When Recorded Return To:

02 1363961

W9/RYE SOUTH REALTY,
L.L.C., and
c/o LEGACY PARTNERS
COMMERCIAL, INC.
4000 East Third Avenue, Sixth
Floor
Foster City, California 94404
Attention: Ms. Darleen Barnes

(Above Space for Recorder's Use Only)

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS

FOR

RYE CANYON BUSINESS PARK

FIDELITY NATIONAL TITLE INSURANCE COMPANY
HAS RECORDED THIS INSTRUMENT BY REQUEST AS
AN ACCOMMODATION ONLY AND HAS NOT EXAMINED
IT FOR REGULARITY AND SUFFICIENCY OR AS TO ITS
EFFECT UPON THE TITLE TO ANY REAL PROPERTY
THAT MAY BE DESCRIBED THEREIN

E: Stored_Files\F C Rye Canyon Project CC&Rs Rye
CCRLA\15.DOC
5/9/2002

Initials

Exhibit "A" page 1 of 3

Initials

EXHIBIT "A"

12/2/03

FIDELITY NATIONAL TITLE COMPANY

03 3623053

MA-9995-10

Recording Requested By,
When Recorded Return 's,
And Mail Tax Statements To:

W9/Rye South Realty, L.L.C.
c/o Legacy Partners Commercial, Inc.
4000 East Third Avenue, Sixth Floor
Foster City, California 94404
Attention: Mr. Robert Phipps

(Allow Space for Recorder's Use Only)

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS FOR RYE CANYON BUSINESS PARK

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS FOR RYE CANYON BUSINESS PARK (the "Amendment") is made this 2nd day of December, 2003 (the "Effective Date"), by W9/Rye South Realty, L.L.C., a Delaware limited liability company (the "Declarant").

RECITALS

A. Declarant and the Owners who have executed the Owner's Consent thereto entered into that certain Declaration of Covenants, Conditions and Restrictions and Grant of Easements for Rye Canyon Business Park (the "Declaration"), dated May 16, 2002, which was recorded in the official records of Los Angeles County, California ("Official Records") on June 17, 2002, as Instrument No. 02-1363961.

B. Prior to the Effective Date, Tract Map No. 52673-03 (the "Map") was recorded in the Official Records. The Map altered the location of certain boundary lines and easement areas within the Business Park.

C. Declarant desires to amend the Declaration on each and all of the terms, provisions and conditions contained herein, and each of the First Mortgagees who has executed a Lender's Consent and Subordination attached hereto hereby consents to such amendment and agrees to subordinate its loan(s) hereto.

D. Declarant desires to amend the Declaration on each and all of the terms, provisions and conditions contained herein and each of the Owners who has executed an Owner's Consent attached hereto hereby consents to such amendment.

NOW THEREFORE, Declarant hereby covenants, agrees, and declares that the Declaration is hereby amended as set forth below.

1. Defined Terms. All capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Declaration.

VAL P C Rye Canyon ProjectCC&RdFirst Amt to CC&Rd RV7.doc: 09/03/03

1

FIDELITY NATIONAL TITLE ASSURANCE COMPANY
HAS REVIEWED THIS INSTRUMENT BY REQUEST AS
AN ACCURACY CHECK ONLY AND HAS NOT EXAMINED
IT FOR REGULARITY AND SUFFICIENCY OR AS TO ITS
EFFECT UPON THE TITLE TO ANY REAL PROPERTY
THAT MAY BE DESCRIBED THEREIN.

Initials

Exhibit "A" page 2 of 3

Initials

EXHIBIT "A"

08/07/07



20071378620

ENABLING DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP

DISCOVERY GATEWAY SPECTRUM II
A Commercial Condominium Project

by

Discovery Gateway Spectrum II, LLC
A California limited liability company
("Declarant")

25596.0000\BGLIB\11297\07.7

Initials

Exhibit "A" page 3 of 3

Initials

EXHIBIT D
BILL OF SALE

BILL OF SALE

THIS BILL OF SALE (this "**Bill of Sale**") is made and entered into as of _____, 2021 (the "**Effective Date**"), by and between Advenco LLC, a Delaware limited liability company ("**Purchaser**") and Pyramid Enterprises, Inc., a California corporation ("**Seller**"). Each of Seller and Purchaser may be referred to in this Bill of Sale individually as a "**Party**" and, collectively, as the "**Parties**".

RECITALS

WHEREAS, Purchaser, Seller, Chet Roberts, and Traci Roberts are parties to that certain Asset Purchase Agreement dated as of _____, 2021 (the "**Purchase Agreement**"). Capitalized terms used but not defined herein have the respective meanings for such terms as defined in the Purchase Agreement; and

WHEREAS, pursuant to the Purchase Agreement, Seller agreed to sell, assign, transfer, convey and deliver to Purchaser all of the Fixed Assets and Inventory, and Purchaser agreed to purchase all of the Fixed Assets and Inventory of Seller, upon the terms and conditions set forth therein.

NOW, THEREFORE, for and in consideration of the above premises, the mutual covenants contained in this Bill of Sale and in the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Sale and Purchase.** Effective as of the Effective Date, Seller hereby sells, assigns, transfers, conveys, and delivers to Purchaser all of Seller's right, title, and interest, free and clear of all Liens, other than the Assumed Liabilities and Permitted Liens, in and to all of the Fixed Assets and Inventory. Notwithstanding anything to the contrary in this Bill of Sale, Seller shall retain the Excluded Assets of Seller and Excluded Liabilities of Seller.
2. **Reference to the Purchase Agreement.** The provisions of this Bill of Sale are subject in all respects to the terms of the Purchase Agreement, and all of the representations, warranties, covenants and agreements contained therein shall survive the execution and delivery of this Bill of Sale in accordance with the terms thereof. Nothing contained in this Bill of Sale shall be deemed or construed to alter, modify, add to or waive any of the rights, obligations, terms, covenants, conditions, or other provisions contained in the Purchase Agreement.
3. **Further Actions.** Each Party will, at its own expense, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, assurances and such other action as such other Party may reasonably request to more effectively consummate the transactions contemplated by this Bill of Sale.
4. **Governing Law.** This Bill of Sale shall be governed by and construed in accordance with the applicable Laws of the State of Kansas without giving effect to any choice or conflicts of law provision or rule thereof that would result in the application of the applicable

laws of any other jurisdiction other than the applicable laws of the United States of America, where applicable.

5. Counterparts. This Bill of Sale may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. The facsimile signature of any Party to this Bill of Sale or a PDF copy of the signature of any Party delivered by electronic mail for purposes of execution or otherwise, is to be considered to have the same binding effect as the delivery of an original signature on an original contract.

6. Amendment; Waiver. No amendment of any provision of this Bill of Sale shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any Party of any provision of this Bill of Sale or any default or breach of covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party against whom the waiver is to be effective nor shall such waiver be deemed to extend to any prior or subsequent default or breach of covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

7. Binding Agreement. This Bill of Sale shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and assigns.

[Remainder of this page is intentionally left blank. Signatures follow on next page.]

IN WITNESS WHEREOF, Purchaser and Seller have caused this Bill of Sale to be effective as of the Effective Date.

SELLER:

PYRAMID ENTERPRISES, INC.

By: _____
Name: Chet Roberts
Its: President

PURCHASER:

ADVenco LLC

By: _____
Name: _____
Its: _____

EXHIBIT E
ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**") is made and entered into as of _____, 2021 (the "**Effective Date**"), by and between Pyramid Enterprises, Inc., a California corporation ("**Assignor**") and Advenco LLC, a Delaware limited liability company ("**Assignee**"). Each of Assignor and Assignee may be referred to in this Agreement individually as a "**Party**" and, collectively, as the "**Parties**".

RECITALS

WHEREAS, Assignor, Assignee, Chet Roberts, and Traci Roberts are parties to that certain Asset Purchase Agreement dated as of _____, 2021 (the "**Purchase Agreement**"). Capitalized terms used but not defined herein have the respective meanings for such terms as defined in the Purchase Agreement; and

WHEREAS, pursuant to the Purchase Agreement, Assignor agreed to sell, assign, transfer, convey and deliver all the rights and interests in the Assigned Contracts and any Purchased Assets not conveyed by any other Transaction Document to Assignee, and Assignee agreed to accept same and to assume the Assumed Liabilities.

NOW, THEREFORE, for and in consideration of the above premises, the mutual covenants contained in this Agreement and in the Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Assignment and Assumption.** Effective as of the Effective Date, Assignor hereby sells, assigns, transfers, conveys and delivers to Assignee all of Assignor's right, title, and interest in and to all of the Assigned Contracts and any Purchased Assets not conveyed by any other Transaction Document. Assignee hereby assumes, other than the Excluded Liabilities described in Section 2.2 of the Purchase Agreement, all Assumed Liabilities.
2. **Reference to the Purchase Agreement.** The provisions of this Agreement are subject in all respects to the terms of the Purchase Agreement, and all of the representations, warranties, covenants and agreements contained therein shall survive the execution and delivery of this Agreement in accordance with the terms thereof. Nothing contained in this Agreement shall be deemed or construed to alter, modify, add to or waive any of the rights, obligations, terms, covenants, conditions, or other provisions contained in the Purchase Agreement.
3. **Further Actions.** Each Party will, at its own expense, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, assurances and such other action as such other Party may reasonably request to more effectively consummate the transactions contemplated by this Agreement.
4. **Governing Law.** This Agreement shall be governed by and construed in accordance with the applicable laws of the State of Kansas without giving effect to any choice or conflicts of law provision or rule thereof that would result in the application of the applicable

laws of any other jurisdiction other than the applicable laws of the United States of America, where applicable.

5. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. The facsimile signature of any Party to this Agreement or a PDF copy of the signature of any Party delivered by electronic mail for purposes of execution or otherwise, is to be considered to have the same binding effect as the delivery of an original signature on an original contract.

6. Amendment; Waiver. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any Party of any provision of this Agreement or any default or breach of covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party against whom the waiver is to be effective nor shall such waiver be deemed to extend to any prior or subsequent default or breach of covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

7. Binding Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and assigns.

[Remainder of this page is intentionally left blank. Signatures follow on next page.]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be effective as of the Effective Date.

ASSIGNOR:

PYRAMID ENTERPRISES, INC.

By: _____
Name: Chet Roberts
Its: President

ASSIGNEE:

ADVENCO LLC

By: _____
Name: _____
Its: _____

EXHIBIT F
SAMPLE WORKING CAPITAL CALCULATION

SAMPLE WORKING CAPITAL CALCULATION

Account No.	Include in Working Capital?	Account Description	Trial Balance Oct-20	Working Capital
Cash				
105-00	Yes	CASH ON HAND	-	-
105-01	Yes	CASH ON HAND PYRAMID	\$3,094	\$3,094
105-02	Yes	CASH ON HAND WENATCHEE	\$1,000	\$1,000
105-03	Yes	CASH ON HAND - CLE ELUM	\$500	\$500
105-04	Yes	CASH ON HAND- NACHES	\$500	\$500
105-06	Yes	CASH ON HAND- PIKE	\$160	\$160
105-08	Yes	CASH ON HAND SALIDA	\$684	\$684
105-09	Yes	CASH ON HAND- SILVERWOOD	-	-
105-11	Yes	CASH ON HAND GOPHER HOLE	\$786	\$786
105-13	Yes	CASH ON HAND SANTA MARGARITA	-	-
105-15	Yes	CASH ON HAND- DEL VALLE	\$2,402	\$2,402
105-16	Yes	CASH ON HAND- SHADOW CLIFF	-	-
105-17	Yes	CASH ON HAND CACHUMA	\$800	\$800
105-18	Yes	CASH ON HAND - BOAT INSPECTIONS	\$1,000	\$1,000
105-20	Yes	CASH ON HAND - SAN PABLO	\$2,000	\$2,000
105-21	Yes	CASH ON HAND- CACHUMA CAMP STORE	\$2,000	\$2,000
105-22	Yes	CASH ON HAND- COLUMBINE	-	-
105-23	Yes	CASH ON HAND - DOLORES	-	-
105-24	Yes	CASH ON HAND - PAGOSA	-	-
105-25	Yes	CASH ON HAND - SAN CARLOS	-	-
105-26	Yes	CASH ON HAND SOUTH PARK	\$1,000	\$1,000
105-27	Yes	CASH ON HAND- LEADVILLE	\$1,500	\$1,500
105-28	Yes	CASH ON HAND- SO PLATTE	(\$500)	(\$500)
105-34	Yes	CASH ON HAND- SAN VICENTE	-	-
105-35	Yes	CASH ON HAND - CASTAIC	\$2,044	\$2,044
105-41	Yes	CASH ON HAND PARDEE	-	-
105-42	Yes	CASH ON HAND GIFFORD DISTRICT	-	-
110-00	No	CASH IN CHECKING	-	-
110-01	No	CASH IN CHECKING	-	-
110-02	No	CASH IN CHECKING - BANNER BANK	-	-
110-03	No	CASH IN CHECKING PAYROLL	(\$35,777)	-
110-04	No	CASH IN CHECKING - PACIFIC MERCANTILE	\$439,221	-
110-05	No	CASH IN CHECKING	\$99,345	-
110-06	No	CASH IN CHECKING - PIKE	\$6,295	-
110-07	No	CASH IN CHECKING PERRIS	-	-
110-08	No	CASH IN CHECKING- SALIDA	\$479	-
110-09	No	CASH IN CHECKING SILVERWOOD	\$9,384	-
110-10	No	CASH IN CHECKING	\$36,011	-
110-12	No	CASH IN CHECKING- LAKE SKINNER	\$16,858	-
110-14	No	CASH IN CHECKING- WELLS FARGO	\$143	-
110-15	No	CASH IN CHECKING- DEL VALLE	\$5,091	-
110-17	No	CASH IN CHECKING CACHUMA	\$3,155	-
110-19	No	CASH IN CHECKING NEW MEXICO	-	-
110-20	No	CASH IN CHECKING - SAN PABLO	(\$20)	-
110-21	No	CASH IN CHECKING - RESERVATIONS	\$1,986	-
110-22	No	CASH IN CHECKING- COLUMBINE	\$8,496	-
110-24	No	CASH IN CHECKING- WASHINGTON FEDERAL	\$1,120	-
110-25	No	CASH IN CHECKING- SAN CARLOS	\$6,033	-
110-27	No	CASH IN CHECKING- LEADVILLE	\$411	-
110-28	No	CASH IN CHECKING	\$500	-
110-30	No	CASH IN CHECKING - COMERICA	\$5,312	-
110-31	No	CASH IN CHECKING - COAMERICA	\$319,240	-
110-33	No	CASH IN CHECKING: OTAY	-	-
110-35	No	CASH IN CHECKING A/R	-	-
110-36	No	CASH IN CHECKING - FISH GAME	\$3,204	-
110-40	No	CASH IN CHECKING: RANCH	\$13,499	-
110-41	No	CASH IN CHECKING: PARDEE	-	-
111-03	No	CASH IN SAVING PACIFIC MERCANTILE	\$2,751,551	-
111-30	No	CASH IN SAVINGS- COMERICA MONEY MARKET	\$1,490	-

Account No.	Include In Working Capital?	Account Description	Trial Balance Oct-20	Working Capital
A/R				
120-00	Yes	ACCOUNTS RECEIVABLE BOAT INSPECTIONS	-	-
120-01	Yes	STORAGE - PYRAMID LAKE	(\$300)	(\$300)
120-06	Yes	ACCOUNTS RECEIVABLE	-	-
120-07	Yes	ACCOUNTS RECEIVABLE-PERRIS	-	-
120-09	Yes	ACCOUNTS RECEIVABLE SILVERWOOD	(\$5,120)	(\$5,120)
120-11	Yes	ACCOUNTS RECEIVABLE GOPHER HOLE	-	-
120-12	Yes	ACCOUNTS RECEIVABLE SKINNER	(\$13,995)	(\$13,995)
120-13	Yes	ACCOUNTS RECEIVABLE SANTA MARGARITA	\$1,314	\$1,314
120-15	Yes	ACCOUNTS RECEIVABLE	-	-
120-16	Yes	ACCOUNTS RECEIVABLE:SHADOW CLIFFS	-	-
120-17	Yes	ACCOUNTS RECEIVABLE CACHUMA	(\$1,665)	(\$1,665)
120-18	Yes	ACCOUNTS RECEIVABLE	\$245,563	\$245,563
120-21	Yes	ACCOUNTS RECEIVABLE	\$2,215	\$2,215
120-29	Yes	ACCOUNTS RECEIVABLE:HODGE	-	-
120-41	Yes	ACCOUNTS RECEIVABLE:PARDEE	(\$1,959)	(\$1,959)
INVENTORIES				
130-00	Yes	INVENTORY- GENERAL	\$347,117	\$347,117
130-01	Yes	INVENTORY:PYRAMID	\$12,384	\$12,384
130-07	Yes	INVENTORY - LAKE PERRIS	-	-
130-09	Yes	INVENTORY SILVERWOOD	\$22,871	\$22,871
130-11	Yes	INVENTORY GOPHER HOLE	\$13,102	\$13,102
130-12	Yes	INVENTORY - LAKE SKINNER	\$23,160	\$23,160
130-13	Yes	INVENTORY SANTA MARGARITA	\$19,731	\$19,731
130-15	Yes	INVENTORY- DEL VALLE	\$19,190	\$19,190
130-16	Yes	INVENTORY - SHADOW CLIFF	-	-
130-17	Yes	INVENTORY CACHUMA	\$16,827	\$16,827
130-20	Yes	INVENTORY SAN PABLO	\$5,420	\$5,420
130-21	Yes	INVENTORY- CACHUMA CAMP STORE	\$29,115	\$29,115
130-29	Yes	INVENTORY:HODGE	\$2,030	\$2,030
130-30	Yes	INVENTORY:MIRAM	\$1,369	\$1,369
130-31	Yes	INVENTORY:MUR	\$2,754	\$2,754
130-32	Yes	INVENTORY:ELCAP	-	-
130-33	Yes	INVENTORY:OTAY	\$7,018	\$7,018
130-34	Yes	INVENTORY:SAN VICENTE	\$5,810	\$5,810
130-35	Yes	INVENTORY - CASTAIC	\$18,266	\$18,266
130-40	Yes	INVENTORY:RANCH	\$6,539	\$6,539
130-41	Yes	INVENTORY:PARDEE	\$24,800	\$24,800
Total Current Assets			\$4,515,555	\$822,527

Account No.	Include in Working Capital?	Account Description	Trial Balance Oct-20	Working Capital
<u>EQUIPMENT</u>				
160-00	No	EQUIPMEN- GENERAL	\$1,024,562	-
160-01	No	EQUIPMENT- PYRAMID	\$37,237	-
160-02	No	EQUIPMENT- WENATCHEE	\$166,228	-
160-03	No	EQUIPMENT- CLE ELUM	\$18,113	-
160-04	No	EQUIPMENT- NACHES	\$2,274	-
160-06	No	EQUIPMENT- PIKE	\$44,194	-
160-07	No	EQUIPMENT - LAKE PERRIS	\$21,925	-
160-08	No	EQUIPMENT- SALIDA	\$21,328	-
160-09	No	EQUIPMENT- SILVERWOOD	\$109,865	-
160-10	No	EQUIPMENT	\$1,050	-
160-11	No	EQUIPMENT- GOPHER HOLE	\$3,230	-
160-12	No	EQUIPMENT- LAKE SKINNER	\$29,091	-
160-13	No	EQUIPMENT- SANTA MARGARITA	\$12,955	-
160-14	No	EQUIPMENT- ARROYO SECO	\$5,750	-
160-15	No	EQUIPMENT- DEL VALLE	\$311,738	-
160-16	No	EQUIPMENT- SHADOW CLIFF	\$14,954	-
160-17	No	EQUIPMENT CACHUMA	\$118,937	-
160-18	No	EQUIPMENT BOAT INSPECTIONS	\$13,753	-
160-19	No	EQUIPMENT NEW MEXICO	\$16,740	-
160-20	No	EQUIPMENT SAN PABLO	\$78,601	-
160-21	No	EQUIPMENT- CACHUMA CAMPSTORE	\$38,400	-
160-22	No	EQUIPMENT COLUMBINE	\$47,017	-
160-23	No	EQUIPMENT- DOLORES	\$18,284	-
160-25	No	EQUIPMENT- SAN CARLOS	\$2,910	-
160-27	No	EQUIPMENT- LEADVILLE	\$32,609	-
160-28	No	EQUIPMENT- SO PLATTE	\$7,547	-
160-35	No	EQUIPMENT - CASTAIC	\$24,848	-
160-36	No	EQUIPMENT- LAKE ELSINORE	\$50,772	-
160-40	No	EQUIPMEN:RANCH	\$35,583	-
160-41	No	EQUIPMEN:PARDEE	\$42,100	-
160-42	No	EQUIPMEN:GIFFORD	\$36,463	-
<u>AUTOS AND TRUCKS</u>				
170-00	No	AUTOS AND TRUCKS- GENERAL	\$923,630	-
170-41	No	AUTOS AND TRUCKS:PARDEE	\$7,000	-
170-42	No	AUTOS AND TRUCKS:GIFFORD	\$20,262	-
<u>BOATS & RENTAL EQUIP</u>				
175-00	No	BOATS & RENTAL EQUIP- GENERAL	\$466,324	-
175-01	No	BOATS & RENTAL EQUIP- PYRAMID	\$213,546	-
175-02	No	BOATS & RENTAL EQUIPMENT WENATCHEE	\$121,895	-
175-06	No	BOATS & RENTAL EQUIP- PIKE	\$4,216	-
175-07	No	BOATS & RENT EQUIP- PERRIS	\$39,999	-
175-09	No	BOATS & RENT EQUIP- SILVERWOOD	\$84,607	-
175-15	No	BOATS & RENTAL EQUIP- DEL VALL	\$79,227	-
175-17	No	BOATS & RENTAL EQUIP:CAC	\$156,767	-
175-20	No	BOATS & RENTAL EQUIP:SP	\$34,022	-
175-30	No	BOATS & RENTAL EQUIP:MIRAM	\$5,300	-
175-34	No	BOATS & RENTAL EQUIP:SAN VICENTE	\$8,735	-
175-35	No	BOATS & RENTAL EQUIP- CASTAIC	\$44,447	-
175-40	No	BOATS & RENTAL EQUIP:RANCH	\$3,645	-
175-41	No	BOATS & RENTAL EQUIP:PARDEE	\$117,019	-

Account No.	Include in Working Capital?	Account Description	Trial Balance Oct-20	Working Capital
LEASEHOLD IMPROVEMENTS				
180-01	No	LEASEHOLD IMPROVE- PYRAMID	\$17,101	-
180-02	No	LEASEHOLD IMPROVEMENT	\$285,556	-
180-06	No	LEASEHOLD IMPROVE- PIKE	\$21,650	-
180-08	No	LEASEHOLD IMPROVE- SALIDA	\$2,611	-
180-09	No	LEASEHOLD IMPROVE- SILVERWOOD	\$547,681	-
180-10	No	LEASEHOLD IMPROVE	\$1,560	-
180-11	No	LEASEHOLD IMPROVE	\$3,494	-
180-17	No	LEASEHOLD IMPROVE- CACHUMA	\$423	-
180-21	No	LEASEHOLD IMPROVE	\$1,575	-
180-23	No	LEASEHOLD IMPROVE- DOLORES	\$3,970	-
185-00	No	ACCUMULATED DEPREC- GENERAL	(\$5,037,074)	-
Total Fixed Assets			\$568,244	-
Total Assets			\$5,083,800	\$822,527
200-00	Yes	ACCOUNTS PAYABLE	(\$92,136)	(\$92,136)
206-17	No	PAYROLL TAXES:CAC	-	-
SALES TAX PAYABLE				
209-00	No	SALES TAX PAYABLE	-	-
209-01	No	SALES TAX PAYABLE:PYRM	-	-
209-06	No	SALES TAX PAYABLE PIKE	-	-
209-07	No	SALES TAX PAYABLE - LK PERRIS	-	-
209-09	No	SALES TAX PAYABLE- SILVERWOOD	-	-
209-11	No	SALES TAX PAYABLE GOPHER HOLE	-	-
209-12	No	SALES TAX PAYABLE- SKINNER	-	-
209-13	No	SALES TAX SANTA MARGARITA	-	-
209-15	No	SALES TAX PAYABLE- DEL VALLE	-	-
209-16	No	SALES TAX SHADOW CLIFF	-	-
209-17	No	SALES TAX PAYABLE CACHUMA	-	-
209-20	No	SALES TAX PAYABLE SAN PABLO	-	-
209-21	No	SALES TAX PAYABLE- CACHUMA CAMP SOTRE	-	-
209-29	No	SALES TAX PAYABLE HODGES	-	-
209-30	No	SALES TAX PAYABLE MIRAMAR	-	-
209-31	No	SALES TAX PAYABLE MURRAY	-	-
209-32	No	SALES TAX PAYABLE EL CAPITAN	-	-
209-33	No	SALES TAX PAYABLE OTAY	-	-
209-34	No	SALES TAX SO SAN VICENTE	-	-
209-35	No	SALES TAX PAYABLE CASTAIC	-	-
209-40	No	SALES TAX PAYABLE:RANCH	-	-
209-41	No	SALES TAX PAYABLE:PARDEE	-	-
210-00	No	UNEARNED REVENUE - SLIPS	-	-
210-07	No	GARNISHMENTS PAYABLE:PERRI	-	-

Account No.	Include in Working Capital?	Account Description	Trial Balance Oct-20	Working Capital
FISHING PERMITS				
210-11	No	COUNTY FISHING PERMITS:GOPHER	(\$289)	-
221-11	No	COUNTY FISHING PERMITS GOPHER HOLE	(\$1,628)	-
210-15	No	FISHING PERMITS DEL VALLE	(\$6,069)	-
210-20	No	FISHING PERMITS SAN PABLO	(\$34,135)	-
210-29	No	FISHING PERMITS HODGES	(\$37,321)	-
210-30	No	FISHING PERMITS MIRAMAR	(\$8,958)	-
210-31	No	FISHING PERMITS MURRAY	(\$28,993)	-
210-32	No	FISHING PERMITS EL CAPITAN	-	-
210-33	No	FISHING PERMITS OTAY	(\$34,801)	-
210-34	No	FISHING PERMITS SAN VICENTE	(\$84,126)	-
210-41	No	FISHING ACCESS FUND	(\$17,948)	-
212-00	No	PENSION PAYABLE	-	-
ACCRUED FEES				
214-00	No	ACCRUED FEES - FOREST SERVICE	(\$512,716)	-
214-11	No	ACCRUED FEES- COUNTY OF RIVERSIDE	-	-
DFG LIABILITY				
215-01	No	DFG LIABILITY:PYRM	(\$204)	-
215-07	No	DFG LIABILITY - PERRIS	-	-
215-09	No	DFG LIABILITY SILVERWOOD	(\$724)	-
215-11	No	DFG LIABILITY GOPHER HOLE	(\$31)	-
215-12	No	DFG LIABILITY- SKINNER	(\$773)	-
215-13	No	DFG LIABILITY SANTA MARGARITA	(\$244)	-
215-15	No	DFG LIABILITY- DEL VALLE	(\$491)	-
215-17	No	DFG LIABILITY CACHUMA	(\$1,687)	-
215-20	No	DFG LIABILITY SAN PABLO	(\$228)	-
215-29	No	DFG LIABILITY- HODGES	(\$127)	-
215-31	No	DFG LIABILITY MURRAY	(\$79)	-
215-33	No	DFG LIABILITY OTAY	(\$440)	-
215-34	No	DFG LIABILITY:SAN VICENTE	(\$47)	-
215-35	No	DFG LIABILITY CASTAIC	(\$1,325)	-
215-40	No	DFG LIABILITY:RANCH	-	-
215-41	No	DFG LIABILITY:PARDEE	(\$189)	-
220-11	No	TOKENS-GOPHER HOLE	(\$669)	-
220-41	No	CAFE TIPS PARDEE	-	-
225-00	No	CURRENT PORTION OF N/P	(\$186,648)	-
Current Liabilities			(\$1,053,024)	(\$92,136)

Account No.	Include in Working Capital?	Account Description	Trial Balance Oct-20	Working Capital
266-00	No	CREDIT CARD ADVANCE	-	-
NOTES PAYABLE				
251-00	No	NOTE PAYABLE GMC	-	-
256-00	No	NOTE PAYABLE- SBA Covid 19	(\$1,002,000)	-
257-00	No	NOTE PAYABLE- NISSAN AUTO	(\$30,100)	-
268-00	No	NOTE PAYABLE PACIFICE MERCANTILE EQUIPMENT	(\$81,276)	-
269-00	No	NOTE PAYABLE PACIFIC MERCANTILE	-	-
271-00	No	NOTE PAYABLE - SURFSIDE	(\$16,602)	-
275-00	No	LESS CURRENT PORTION	\$186,648	-
270-00	No	STOCKHOLDER LOANS	-	-
Long-Term Liabilities			(\$943,329)	-
EQUITY				
280-00	No	COMMON STOCK	(\$1,000)	-
282-001	No	Retained Earnings-Current Year	(\$2,903,065)	-
282-002	No	RETAINED EARNINGS - PRIOR	(\$1,393,819)	-
283-00	No	DISTRIBUTIONS TO STOCKHOLDERS:PYR	\$1,210,438	-
Equity			(\$3,087,446)	-
Total Liabilities and Equity			(\$5,083,800)	(\$92,136)
Working Capital				\$730,392

EXHIBIT G
ASSIGNED CONTRACT PURCHASE PRICE ALLOCATION

Rocky Mountain Recreation Purchase Price Allocation

No.	Contract	Purchase Price Allocation
1		\$1,173,240.00
2		\$145,202.00
3		\$513,466.00
4		\$346,747.00
5		\$493,435.00
6	Concessions Agreement by and between The City of San Diego and Pyramid Enterprises, Inc. d/b/a Rocky Mountain Recreation Company dated February 20, 2018, as amended (the "San Diego Lakes Agreement").	\$339,529.00
7		\$398,670.00
8		\$101,672.00
9		\$130,315.00
10		\$526,482.00
11		\$172,341.00
12		\$59,053.00
13		\$306,319.00

